

An investigation into the organizational factors that affect the export sales
effectiveness in Greek exporting SMEs

Anastasios Galanakis

MBA, BA (Hons)

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Herriot-Watt University

Edinburgh Business School

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Abstract

This research aims to elaborate existing literature by investigating the impact of the organizational factors that affect the export sales effectiveness within sales force control systems; behaviour- and outcome-based sales control, reward and compensation schemes for salespeople, territory design satisfaction, firm size, export orientation of sales strategy and sales management experience in exports. A theoretical framework is proposed and tested on a sample of 160 Greek exporting SMEs. Research results provide supportive evidence of the positive contribution of (1) behaviour-based sales control; (2) outcome-based sales control; (3) reward and compensation schemes for salespeople; (4) territory design satisfaction, and (5) firm size in export performance. On the contrary, export orientation of sales strategy was found to have no significant correlation with export effectiveness. It appears that high-performing export sales units seem to make higher use of outcome-based sales control attributes compared to low performing ones. A positive association between reward and compensation schemes and (1) behaviour-based and (2) outcome-based sales control for high performing export sales units is identified. The effect of reward and compensation schemes for salespeople on export sales effectiveness is significantly higher when the intensity of export performance is lower. The influence of sales territory design satisfaction with export sales effectiveness is significantly higher when the intensity of export performance is lower. The findings suggest a significant positive relationship between sales territory design satisfaction and outcome-based control. They also indicate that the effect of firm size is stronger when the intensity of export performance is higher. Furthermore, a strong positive correlation between firm size and (1) behaviour-based, and (2) outcome-based sales control seems to appear.

Dedication

This thesis is dedicated to my beloved wife Denise, who has supported me all these years.

Acknowledgments

I would like to acknowledge all the people whose has enabled me to accomplish this thesis.

First of all, I would like to express my gratitude to my mentor, Andrew MacLennan, who inspired me to investigate this particular aspect of sales management and has guided me through the structured way of implementing academic research.

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Declaration Statement

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Glossary

Behaviour control: the type of sales management control that focuses on inputs and processes and encourages salesperson input to the selling process such as a sales call planning and customer relationship building (Piercy, Low and Cravens, 2004)

Compensation Control: the proportion of incentive pay in the total compensation for salespeople (Piercy, Low and Cravens, 2004)

Formal Control: the type of sales management control that relies on written and management-initiated mechanisms (Jaworski, 1988)

Informal Control: the type of sales management control that relies on unwritten, typically worker-initiated mechanisms (Jaworski, 1988)

Outcome Control: the alternative of behaviour control that emphasizes end results and encourages and rewards salesperson's results such as sales volume and profitability (Piercy, Low and Cravens, 2004)

Outcome Performance: the performance of salespeople on their sales efforts effectiveness towards highest customer satisfaction (Cravens *et al.*, 1993)

Psychic Distance: it is primarily a cognitive category, capturing the gap of knowledge and the amount of information individuals has (or believe they have) for other individuals in other countries (Hörnell *et al.*, 1973)

Sales Effectiveness: Sales Effectiveness is a measure of quantitative sales outcomes (sales volume, market share and profitability) and qualitative sales outcomes (customer satisfaction, lost accounts, new accounts, the number of customer complaints, taken time to deal with customer complaints and feedback of customer complaints).

Sales Force Control System (SFCS): 'an organization's set of procedures for monitoring, directing, evaluating and compensating its employees' (Anderson and Oliver, 1987, p. 6).

Territory Design: the set of managerial decisions involved in the assignment of customers, prospects, products, geographical areas and other territory dimensions to each salesperson in the sales unit (Piercy, Low and Cravens, 2004)

Chapter 1: Introduction

1.1 Introduction

This section discusses why this area of research is important to be considered in the academic arena, the nature of the research problem within the marketing domain and the contribution of this research to both in business and academic research. It briefly reviews the existing academic literature and the theoretical context of the particular research problem by summarizing the research question, the research aim and objectives and the research hypotheses. It also reviews the basic structure of the research by describing the research approach, strategy, design, operationalization and methodological aspects that are employed.

1.2 Importance of this research

On the grounds of the author's professional background as a sales manager in a Greek exporting small-medium enterprise (SME, hereafter), there has always been the managerial question of 'how can I assist the organization to increase its export sales effectiveness?' The Greek trade balance has been negative for several years, despite its diminishing trend; from 31 billion Euros in 2004 to 17 billion Euros in 2015 (Trade and Services Statistics Division, Unit of External Trade Statistics, 2016). Thus, the research is important to be addressed in Greece and especially in SMEs, which consist the majority of businesses in Greece (99.9 per cent) (Small Business Act for Europe Fact Sheet - Greece, 2014). Their degree of export orientation has marginally increased over the last five years from 8 per cent of turnover in 2008 from 9 percent in 2013) (Mylonas and Tzakou-Lambropoulou, 2014). Similarly, over the last years, almost 50 percent of exporting SMEs maintained a steady share of exports in their sales, only one third sought to boost their sales abroad, and 15 percent reduced their export intensity (Mylonas and Tzakou-Lambropoulou, 2014). The decrease of the negative trade balance is imperative to create economic growth and overcome Greek economic crisis. In the majority of EU Member States, exports were the key driver of the recovery and showed the strongest growth over the period 2008-2014 (Muller *et al.*, 2015). Therefore, Greek SME's exporting firms, which are the main pillar of the Greek economy, need to be more competitive and efficient in exports to create economic growth. The author's objective to find the best way to attain better export performance in a Greek SME

exporting firm and the need for the Greek economy to overcome the debt crisis and be more extrovert by improving its trade balance, have been the major motivators for conducting formal academic research within the DBA research program.

From the perspective of existing academic literature, in today's international management agenda, one of the major issues to be addressed is how efficient sales units can achieve higher outcome levels. The merging of the markets due to the effects of globalization over the last decades, the increasing intensity of global competition, and the complexity of today's market structure are some of the main obstacles that exporting firms are facing in attaining higher outcome levels. Similarly, nowadays companies gradually seek to approach international markets and expand their exporting activities by reforming their existing sales structures so as to compete in a more efficient way in the international market arena (Panagopoulos *et al.*, 2011).

Sales Effectiveness is considered to be a function of the results we get. In a sales organization, sales effectiveness is most likely to come from improving the way the sales team (including the proposed operation and sales support group) works' (Sant, 2013). Moreover, 'the sales force is an integral element of a firm's strategic planning and execution' (Cron *et al.*, 2014). Managers employ various methods to develop more efficient sales teams that lead to successful sales force strategies. Literature suggests that the use of sales territory design, compensation systems and sales control systems are the main tools that export managers use to achieve better outcomes. However, the use of these tools does not necessarily imply they can attain better export sales results as there is no strong empirical evidence supporting the level of their contribution to export performance.

There has been an extensive study of the effects of sales force control systems in sales units over the last three decades, particularly in domestic firms. The main conceptualizations of Anderson and Oliver (1987) and Jaworski (1988) have been used as basic frameworks in several studies examining the effects of sales force control systems (SFCS) in sales units in national or a cross-cultural context. The drivers of sales force effectiveness, which have been identified in several frameworks under the Anderson and Oliver's school of thought can be grouped into main categories: behaviour control strategy, territory design satisfaction and compensation control. There is limited evidence from previous studies suggesting that some SFCS drivers

(management behaviour, sales person characteristics) could affect exports sales effectiveness (Katsikea and Skarmeas, 2003; Ingram, LaForge and Schwepker, 2000). But most of these studies rely on Anglo-Saxon countries (The UK and the US) implying that further research is needed to investigate the role of culture on SFCS and their effectiveness in exports (Rouzies and Macquin, 2003). Moreover, there is no published empirical study examining the SFCS in Greek Exporting SMEs, providing a clear literature gap that needs to be addressed and further investigated.

Existing studies rely on a common methodology, obtaining information from sales executives and top management layers and relying solely on managerial perceptions (Table 2.2). However, academics suggest that the collection of information from different management layers can provide new insights (Babakus et al., 2005; Piercy et al., 2006). In this study, salespeople and sales managers are encouraged to participate so as to gather information from different management layers. Similarly, Cravens control dimensions of behaviour sales control, are tested not only by the sales managers' perception, but also in the salespeople evaluation of sales management. This method has been strongly encouraged by related studies examining exporting firms in the UK (Katsikea and Skarmeas, 2003; Katsikea *et al.*, 2007).

Several implications may be raised by this research both in the managerial and academic community. In academic terms, the contribution of this research to existing knowledge is the major academic objective, as there are few studies published so far in this particular academic field. Therefore, it may be the springboard for conducting future studies for the verification of research findings and the investigation of any differences among export sales units by conduction of replication studies in other countries. It may also create the need for the development of an academic measurement tool that could be used in sales organizations to measure their export sales performance.

In managerial – marketing terms, the exploration of the SFCS drivers can offer additional insights into their role and importance in export effectiveness. Research findings may result in a practical guide focusing on export performance for senior export managers employed in exporting firms. The research results may also be presented at a future conference in a form of a joint report by the Greek Export Research Centre to all exporting firms that are members of the Greek Export Association so as to assist export firms to achieve higher levels of export performance.

It may also result in the development of a management tool with indicators (Conceptual Framework) that could measure the effectiveness of a sales unit in export performance. It may also be an initiative for managers to think of particular drivers that could be further developed in their export sales units so as to achieve better sales outcomes, depending on their current export performance.

1.3 Research aim, question, objectives and hypotheses

1.3.1 Research aim

The aim relies on the prescribed research problem. It concentrates on the role of the internal organizational factors that affect the export sales effectiveness in Greek exporting SMEs.

Therefore, the research aim is *to investigate the organizational factors that affect the export sales effectiveness in Greek exporting SMEs.*

It is crucial to define how SFCS are structured, to investigate the impact of SFCS on export sales effectiveness. Literature suggests that particular sales force effectiveness (SFE) drivers exist, such as sales team enthusiasm, teamwork, and right-sizing of territory design (Piercy, Cravens and Morgan, 1998). Existing empirical frameworks propose a set of main SFE drivers categories: (1) outcome control of sales management, (2) behaviour control of sales management, (3) reward and compensation schemes for salespeople, (4) the sales territory design satisfaction of sales managers, and (5) firm size (Zoltners, Sihha and Lorimer 2008; Piercy, Low and Cravens, 2004; Katsikea, Theodosiou and Morgan, 2007). Therefore, the undertaken research aims to identify the impact of these SFE drivers on export sales effectiveness.

1.3.2 Research question

The derived research question is:

In Greek exporting SMEs, is there a relationship between outcome and behaviour control of sales management, reward and compensation schemes for salespeople, sales territory design satisfaction, firm size and export sales effectiveness?

1.3.3 Research Objectives

For this reason, the following research objectives have been set:

- To evaluate the effect of outcome sales control on export sales effectiveness in Greek exporting SMEs.
- To appraise the effect of behaviour sales control on export sales effectiveness in Greek exporting SMEs.
- To assess the relationship between reward and compensation and export sales effectiveness in Greek exporting SMEs.
- To determine the relationship between sales territory design satisfaction and export sales effectiveness in Greek exporting SMEs.
- To evaluate the role of firm size in export sales effectiveness in Greek exporting SMEs.

1.3.4 Research hypotheses

The above research objectives are developed in operational hypotheses respectively:

Behaviour Control of Sales Management in Export Sales Units and Export Sales Effectiveness

Null Hypothesis: *There is no relationship between behaviour control of sales management in export sales units and export sales effectiveness.*

Alternative Hypothesis: *There is a relationship between behaviour control of sales management in export sales units and export sales effectiveness.*

Outcome Control of Sales Management in Export Sales Units and Export Sales Effectiveness

Null Hypothesis: *There is no relationship between outcome control of sales management in export sales units and export sales effectiveness.*

Alternative Hypothesis: *There is a relationship between outcome control of sales management in export sales units and export sales effectiveness.*

Reward and Compensation Schemes for Salespeople within Export Sales Units and Export Sales Effectiveness

Null Hypothesis: *There is no relationship between reward and compensation schemes for salespeople within export units and export sales effectiveness.*

Alternative Hypothesis: *There is a relationship between reward and compensation schemes for salespeople within export units and export sales effectiveness.*

Sales Territory Design Satisfaction in Export Units and Export Sales Effectiveness

Null Hypothesis: *There is no relationship between sales territory design satisfaction in export units and export sales effectiveness.*

Alternative Hypothesis: *There is a relationship between sales territory design satisfaction in export units and export sales effectiveness.*

The Size of the Firm and Export Sales Effectiveness

Null Hypothesis: *There is no relationship between firm size and export sales effectiveness.*

Alternative Hypothesis: *There is a relationship between firm size and export sales effectiveness.*

1.4 Thesis Structure

The structure of the research relies on the following sections that clearly define the main research process that has been followed.

1.4.1 Introduction

This section introduces the ‘research problem’ by describing the way the research problem has been raised and the way in which this research contributes to this problem. It briefly reviews the research question, aim, objectives and operational hypotheses of this research, by presenting the structure of the thesis.

1.4.2 Literature Review

Chapter 2 provides an insight into the main SFCS conceptualizations (Anderson and Oliver, 1987; Jaworski, 1988) and a comprehensive comparison between these two schools of thought in sales force management. It analyses the main streams of SFCS research that focus on international selling and critically reviews the main studies of each stream and their research findings. Moreover, an emphasis is given to the analysis and description of the SFCS in exporting firms (international selling), by presenting the main empirical studies that have examined the particular field along with their weaknesses, strengths and opportunities for future research. A proposed conceptual framework of the sales force control factors that affect the export sales effectiveness is presented by taking into consideration existing literature, empirical evidence and published conceptual frameworks. Finally, the literature gap that this research identifies and efforts to cover is explained.

1.4.3 Literature Synthesis and Basic Theory Development

The third chapter considers the literature review of the basic aspect of the proposed conceptual frameworks. It explicitly explains the theoretical underpinnings of each sales force effectiveness - organizational factor and provides the basic theoretical acceptances on which the basic theory is developed. Finally, the derived research question, the aim

and the objectives of the basic theory are demonstrated along with the research and operational hypotheses of the proposed basic theory.

1.4.4 Research Methodology

The fourth chapter provides an insight into the existing research, philosophical paradigms, the research approaches, strategies and the fit of the undertaken research within this framework. It justifies the exploratory approach of this research regarding the research purpose. It advocates the deductive research process that is followed and brings the research techniques of in-depth interviewing and questionnaires that are employed in the pilot and main research. The ethical considerations are reviewed as well. Moreover, the main research instrument (questionnaire for both export sales managers and salespeople) that has been used in the pilot study is illustrated in this chapter. A discussion of the pilot study design and implementation is presented along with the methods followed:

- In-depth interviews with sales managers and review of their questionnaires regarding design
- Review with academics on the main research instrument questionnaires
- Quantitative analysis of draft questionnaires distributed to salespeople by using similar tools that are used in the main study analysis.

1.4.5 Pilot study findings and formal theory development

The fifth chapter outlines the pilot study findings from all three previously presented methods. Research findings are presented with the use of content-concordance and word count analysis of in-depth interviews with sales managers, the major points outlined in academics and the statistical analysis of data gathered from the draft questionnaires for salespeople. The pilot study results are evaluated with literature synthesis outcomes. Finally, pilot study inputs assists in the development of the formal theory by enriching the proposed framework. A redefinition of the research question, objectives and hypotheses are presented.

1.4.6 Main Research Findings

In this chapter, the overall procedure of data collection techniques is presented along with the progress of data gathering. Descriptive statistics are analyzed and compared regarding sample groups (export sales managers and export salespeople). An investigation of data quality regarding internal consistency is explored and described as well by using Cronbach's alpha coefficient and Levene's Test for Equality of Variances. Principal Components Analysis (PCA hereafter) provides a better understanding of the measured variables that are tested in inferential statistics. The correlation matrix is presented by showing the basic correlations among the sales force effectiveness factors. Regression analysis tests the operational hypotheses of the formal theory, and multiple discriminant analysis identifies differences among low and high export performers. Moderation analysis measures the effect of each organizational factor in export performance intensity. Finally, a description of the research findings is presented, and the main argumentation regarding the impact of SFE factors that affect the export sales effectiveness is elaborated at the end of this chapter.

1.4.7 Conclusions

The final chapter argues the main findings of this research along with the verification of the formal theory. It demonstrates the formal conceptual framework with the derived relationships among factors that affect export effectiveness. It argues the contribution of this research in verifying the existing knowledge and discovering new facts within the specific scientific context. It also provides several implications in academic and marketing terms either for further research on the export sales effectiveness, or for future managers in managing their sales force in export units more efficient. Research limitations are also considered.

Chapter 2: Literature review

2.1 Introduction

SFCS are defined as an organization's set of procedures for monitoring, directing, evaluating and compensating sales personnel (Anderson and Oliver, 1987). It has a particular purpose; to be used as a management tool for the moderation of salespeople's behaviour, motivation, performance and attitude towards internal and external stakeholders to attain corporate objectives (Anderson and Oliver, 1987; Cravens *et al.*, 1993).

By the above definition, this chapter reviews the main theoretical frameworks that have been developed on SFCS and presents the existing knowledge regarding the contribution of SFCS to sales force effectiveness. The literature review is structured in such a way to reflect the main empirical studies that have been conducted in the examination of SFCS theory. The first section describes the importance of SFCS in sales units and critically evaluates the existing SFCS theoretical frameworks that have been developed over the last three decades.

The second section provides a detailed examination of the role of the sales force control systems in international selling and gives an insight into export sales units in particular. It also identifies the existing literature gaps and research opportunities and describes the literature journey of the existing research. The literature review is followed by the synthesis of the argued literature, where literature findings are synthesized in such a way as to provide outcomes for the purpose of formulating the basic research theory.

2.2.1 Sales Force Control Systems' contribution in sales units

SFCS is one of the most commonly addressed topics in international sales research (Panagopoulos *et al.*, 2011). A significant number of empirical studies argue about the effects of sales force systems on sales units (Anderson and Oliver, 1987; Cravens *et al.*, 1993; Oliver and Anderson 1994, 1995; Rouzies and Macquin, 2003; Katsikea and Morgan, 2003; Guenzi *et al.*, 2014; Miao and Evans, 2014). The contribution of SFCS

towards sales units and effectiveness is multiple driven. SFCS is important to business strategies, and customized SFCS can provide optimal sales (Slater and Olson, 2000). Increased sales control systems offer: (1) greater salespeople job satisfaction (Challagala and Servani, 1996; Jaworski, Stathakopoulos and Krishnan, 1993), (2) sales force task enjoyment, recognition seeking (Miao and Evans, 2014), (3) less role stress (Cravens *et al.*, 2004), and (4) increased role clarity for salespeople (Miao and Evans, 2012). Similarly, sales and organizational effectiveness is positively related to sales control systems. SFCS reinforce organizational effectiveness and consequently lead to higher sales outcomes (barbecues *et al.*, 1996). SFCS are considered to be positively related to customer satisfaction and to contribute to long-term customer relationship building as well (Menguc *et al.*, 2003). Notably, it has been identified that deviations from optimal sales control systems negatively affect both individual salesperson performance, as well as salesperson championing in the market arena (Flaherty *et al.*, 2014). Bearing in mind all of the above SFCS contributions to sales units, it is important to examine the existing frameworks in which SFCS operate and to explore their effectiveness in sales organizations.

2.2.2 SFCS conceptualizations

The literature suggests the existence of two main conceptual frameworks; the one distinguishes control into outcome or behaviour and the other divides control into formal or informal (Baldauf *et al.*, 2005). Anderson and Oliver (1987) proposed a theoretical conceptualization of the consequences of SFCS on salespersons' performance and abilities by focusing on the behavioural and motivational strategies that organizations could follow. This theory relies mostly on managerial perceptions as results relied on either subjective or objective data collected by top management layers (ex. Cron *et al.*, 2014)

Sales control balances between two opposites: outcome- or market-based control and behaviour- or activity-based control (Canales and Toran, 1998; Baldauf *et al.*, 2001). Outcome control is considered to be more objective by focusing on sales outcomes and sales costs (Cravens *et al.*, 1993). It relies on the encouragement and rewards of salespersons' results such as sales turnover, profit maximization, marketing mix optimization and similar to sales orientated outcomes (Piercy *et al.*, 2009). Therefore, it

could be deduced that this management system relies on the main belief that sales outcomes are the only true measurement of sales effectiveness. This management system has little supervision and monitoring over salespeople, as sales results remain the main measure of sales effectiveness.

On the contrary, behaviour control is more subjective and less objective by focusing on the sales managers' perception of their sales team (Kuster and Canales, 2011). Behaviour control management systems encourage salespeople to evolve their selling capabilities, daily activities and customer relationships. This type of control involves daily management close-up supervision of salespeople by monitoring, evaluating and improving daily salespeople's activities and operations. Considering the subjective orientation of sales activity evaluation, the system has little measurement credibility and data validity.

It is evident that both systems have pros and cons (Anderson and Oliver, 1987:77). Regarding measurement bias and credibility, the outcome control system uses more accurate and valid measurement methods in comparison to behavioural control. Sales outcomes can be measured accurately in contrast to subjective-based sales activities performed by salespeople. Concerning supervision, behaviour control systems make use of more effective and sophisticated monitoring and evaluation systems of salespeople in comparison to outcome control systems. Empirical evidence suggests that supervision has a significant influence on sales learning and performance (Kohli *et al.*, 1998). It often creates more evolved and highly skilled salespersons in sales units which rely on behaviour- rather than outcome-based control systems. Concerning sales results, it can be argued that outcome-based control has a short-term focus on sales results which lead to an inaccurate evaluation of sales force effectiveness.

On the other hand, behaviour-based control is relied on a long-term focus on sales results by mainly focusing on daily sales activities. Regarding sales behaviour, outcome-based control systems have more limited monitoring and direction of salespeople in contrast to behaviour-based control, resulting in lower customer satisfaction and the adoption of easy sell techniques by salespeople. Rewarding policies are rather objective in outcome-based sales control systems. On the contrary, in behaviour-based sales systems, high-performing salespeople can be underrated due to the lack of any sales activities accomplishment or appropriate sales behaviour. Apart

from the pros and cons that each sales control system offers, another major issue for sales managers is the choice of the appropriate strategy for the existing management theoretical frameworks.

Anderson and Oliver (1987:80) recommended the appropriate control strategy that a firm should follow (the behaviour or outcome) relied on four theoretical perspectives (agency, organization, transaction cost, cognitive evaluation) as a function of environmental, organizational and individual variables. Their propositions summarize the main elements of each control and its philosophy towards sales control that leads to sales effectiveness.

It is evident that most organizations do not make use of pure outcome or behaviour-based control systems, but rather hybrid systems (a combination of elements of outcome and behaviour) (Onyemah and Anderson, 2009; Madhani, 2015). There has been a late shift of sales management strategies to key account management practices. Key account management is considered to be a hybrid form of both outcome- and behaviour-based sales control systems where an increasing number of companies are making use of such sales management practices. However, a recent study suggests that outcome and behaviour control should be treated as two separate mechanisms rather than two ends of the continuum as there is an imperative need to control the one over the effects of the other (Samaraweera and Gelb, 2015).

The second main conceptualization has been introduced by Jaworski (1988). It has grounds on the theory of formal and informal layers of sales management control. This framework argues that various factors of the macro, operating and internal environments influence the controls that are likely to be emphasized within an organization.

This theory presents the relationships between formal and informal controls and similar the outcomes, both in sales units and individual salespersons. Formal controls include written procedures that exist within the input, process and output phase of sales activities, whereas informal controls include the unwritten mechanisms that influence salespeople at the individual, social and cultural level. Recent empirical evidence has verified this theory by suggesting that formal and informal sales controls exert a differential impact on salespeople adaptive selling and customer-oriented selling behaviours (Guenzi *et al.*, 2014). However, the suggested theoretical concept relies

upon managerial and salespeople's perceptions, and does not consider the existence of behavioural attitude of salespeople towards control systems in contrast to the Anderson and Oliver philosophy (1987).

2.2.3 Synthesis of existing theoretical conceptualizations

Review of existing literature suggests that both theories have been used in numerous empirical studies so far. However, Anderson and Oliver's conceptualization (1987) have received wider acceptance by the academic community, and research review has revealed that an inadequate higher number of empirical studies rely on this conceptualization, whereas Jaworski's framework has limited empirical application.

Regarding these conceptualizations drawbacks, Anderson and Oliver's school of thought (1987) does not take into consideration any external factors and focuses exclusively on the internal factors that may affect sales control systems. On the contrary, Jaworski's framework relies mostly on the external factors affecting SFCS ignoring the influence of salespersons' behaviour toward the selling process.

Despite the fact that both conceptual frameworks capture important aspects of SFCS and are in some cases, complementary, they are relying on different theories and research fields (Table 2.1).

Table 2.1 Comparison of the main SFCS conceptualisations

SFCS conceptualizations	Anderson and Oliver (1987)	Jaworski (1988)
Relied on	Agency and transaction cost theory	Management and accounting theory
Rely upon	Managerial and salespeople's perceptions	Managerial and salespeople's perceptions
Types of control	Outcome - Behaviour	Formal - Informal
Weakness	Disregards the external factors affecting SFCS	Disregards the behavioural factors affecting SFCS

(Drawn from the examination of literature)

Anderson and Oliver's (1987) conceptualization rely on agency and transaction cost theory, whereas Jaworski's (1988) theoretical framework relies on management and accounting theories (Baldauf *et al.*, 2005; Darmon and Martin, 2011). A recent study

suggests that the two conceptualizations should not be used interchangeably in an empirical study because some elements of some components of the Anderson and Oliver's conceptualization (1987) are not identical to Jaworski's (1988) measures. Thus, measures cannot be substituted from each conceptualization identically (Panagopoulos *et al.*, 2015). However, these differences have one common drawback; both rely on managers and salespeople's perceptions which are rather subjective.

2.3.1 Synthesis of existing empirical studies on SFCS in international selling

A recent systematic review of existing literature on international selling (Panagopoulos *et al.*, 2011) has revealed that most of the academic papers (74%) are empirical and the rest conceptual or theoretical. Few empirical studies have been testing a theory relied on hypotheses, as most of them are more descriptive in nature by providing some basic statistics of sales management practices used across countries. Taking into account the above case, which was also noted by the author during the literature review process, it's likely that there is an imperative need in the academic community to develop further the theoretical background of the particular research field in the future before developing further empirical studies.

Most empirical studies have focused on sales systems of domestic firms located in developed countries (The US, Australia and EU countries); whereas developing and less developed countries have no actual presence in literature. However, there is a growing demand from both the academic and the business community to understand the nature of international selling to emerging markets that will dominate the globe in 50 years time from now (China, India, Russia and Brazil).

Regarding topics discussed in empirical studies, there has been wide argumentation on sales negotiations, SFCS, export sales and compensation for salespeople (Panagopoulos *et al.*, 2011). Several other topics have captured the academic attention; buyer-seller relationships in cultural context, sales training and recruitment, sales ethics and roll stress processes. Little focus has been so far on sales technology issues, personal selling, sales values or sales goal setting. To counter this, one could say that the topics of international selling are numerous and taking into consideration the lack of a significant number of empirical studies; it provides a small portfolio of empirical studies that can be compared and cross analyzed.

The majority of the published empirical studies based their research on the Anderson and Oliver conceptualization and only a few on Jaworski's school of thought (Table 2.2). Anderson and Oliver's conceptualization have been quite favourable to this research field of international selling, as it focuses more on the behavioural aspect of selling which in many countries meets differences due to cultural variations. Cultural dimension has been one of the most favoured research aspects of international selling research.

Existing literature could be decoded in two main streams of SFCS research focusing on international sales (Panagopoulos *et al.*, 2011) (Table 2.2). The first stream refers to the empirical studies comparing SFCS between domestic firms operating in different countries (Baldauf *et al.*, 2001, Cravens *et al.*, 1993). The second stream refers to the comparison of SFCS (organizational factors that affect export sales effectiveness) in exporting and non-exporting firms operating in a particular country (Katsikea and Morgan, 2003; Katsikea *et al.*, 2007). In the first stream, the main research issue refers to the identification of potential differences of SFCS among countries in a cultural context. All these studies rely on Anderson and Oliver's conceptualization apart from one which relies on Jaworski's theory (Kwaku and Li, 2002). There are studies supporting the key role of culture in SFCS differences (Rouzies and Macquin, 2003) whereas other studies suggest that culture does not cause the SFCS differences (Cravens *et al.*, 1992). The different research design employed in these empirical studies may be a factor influencing the contradictory results. Both studies follow Anderson and Oliver's (1987) conceptualization. Rouzies and Macquin's study (2003) uses a sample of European salespeople whereas the Cravens' study uses a sample of the USA and Australian sales managers exploring additional variables (rewarding and evaluation system) in a more detailed item scale system.

Regarding organizational effectiveness, research findings reveal that behaviour-based control is positively related to sales effectiveness in countries of different managerial and cultural backgrounds (Australia and Austria) (Baldauf *et al.*, 2002). Similar research findings support the behaviour control – sales effectiveness relationship through the empirical study of Baldauf *et al.* (2001) conducted in Austrian and UK firms.

Table 2.2 Literature Review – Empirical Studies examining SFCs

<i>Author</i>	<i>Frame work</i>	<i>Context</i>	<i>Sample Size</i>	<i>Sales Control</i>	<i>Examined Variables*</i>	<i>SFC Variables*</i>	<i>Scale Properties</i>
Agarwal (1999)	JW	Domestic	United States (184 industrial salespeople)	Formal	MC, FC	n/a	n/a
Agarwal and Ramaswami (1993)	JW	Domestic	United States (300 marketing professionals)	Formal / Informal	MKC	n/a	n/a
Babakus, et al. (1996)	A&O	Domestic	Australia (58 chief sales executives and 146 field sales managers)	Formal	MC, TD, SPP, SOE	MS, DS, ES, RS	25 , 10-point scale (not at all/to a great extent) Monitoring = 8 Directing = 5 Evaluating = 5 Rewarding = 7
Baldauf and Cravens (1999)	A&O	Domestic	Austria (159 field sales managers)	unclear	SOE	MS, DS, ES, RS	25 , 10-point scale (not at all/to a great extent) Monitoring = 8 Directing = 5 Evaluating = 5 Rewarding = 7
Baldauf, at al. (2001)	A&O	Country comparisons of domestic firms	Austria, (159 field sales managers) & United Kingdom (142 field sales managers)	Formal	BC, OP	MS, DS, ES, RS	13 , 10-point scale (not at all/to a great extent) Monitoring = 3 Directing = 4 Evaluating = 3 Rewarding = 3
Baldauf, et al. (2002)	A&O	Country comparisons of domestic firms	Australia (147 field sales managers) & Austria (159 field sales managers)	Formal	BC, SPC, OP, SOE	MS, DS, ES, RS	13 , 10-point scale (not at all/to a great extent) Monitoring = 3 Directing = 4 Evaluating = 3 Rewarding = 3
Baldauf,et al. (2001)	A&O	Country comparisons of domestic firms	Austria, (79 chief sales executives) & United Kingdom (70 chief sales executives)	Formal	SCS, SPP, TD, SS	MS, DS, ES, RS	20 , 10-point scale (not at all/to a great extent) Monitoring = 5 Directing = 5 Evaluating = 5 Rewarding = 5
Barker (2001)	A&O	Domestic	Canada (102 field sales managers)	Formal	SPC, TD, SOE	MS, DS, ES, RS	25 , 10-point scale (not at all/to a great extent) Monitoring = 8 Directing = 5 Evaluating = 5 Rewarding = 7
Bello and Gilliland (1997)	JW	Exporting	United States (160 export sales managers)	Formal	MA, PD	n/a	n/a

(Table 2.2 continued)

Table 2.2 continued

<i>Author</i>	<i>Frame work</i>	<i>Context</i>	<i>Sample Size</i>	<i>Sales Control</i>	<i>Examined Variables*</i>	<i>SFC Variables*</i>	<i>Scale Properties</i>
Bonner, et al. (2002)	JW	Domestic	United Sates (95 projects)	Formal	MC	n/a	n/a
Bulent and Barker (2003)	A&O	Domestic	Canada (102 field sales managers)	Formal	OC, CS	MS	8 , 10-point scale (not at all/to a great extent) Monitoring = 8
Challagalla and Shervani (1996)	JW	Domestic	(270 salespeople from 2 US fortune 500	Formal	MC	n/a	n/a
Challagalla and Shervani (1997)	JW	Domestic	(270 salespeople from 2 US fortune 500	Formal	BC	n/a	n/a
Cieslik et al. (2015)	A&O	Exporting	examined companies)	Formal	FEE, SOE	n/a	n/a
Cravens, et al. (1992)	A&O	Country comparisons of domestic firms	Australia (99 chief sales executives) & United States (107 chief sales executives)	Formal	MA	MS, DS, ES, RS	28 , 10-point scale (no importance/criticall y important) Monitoring = 9 Directing = 9 Evaluating = 6 Rewarding = 4
Cravens, et al. (1993)	A&O	Domestic	Australia (99 chief sales executives)	Formal	BC, OC	MS, DS, ES	28 , 10-point scale (no importance/criticall y important) Monitoring = n/a Directing = n/a Evaluating = n/a Rewarding = n/a
Cravens, et al. (2004)	JW	Domestic	Unites States (1.042 sales people)	Formal / Informal	FC, IC	n/a	n/a
Diamantopoulos et al. (2014)	A&O	Exporting	senior export managers)	Formal	ESE	n/a	n/a
Diez-Vial and Fernandez-Olmos (2014)	A&O	Exporting	Spain (138 export firms)	Formal	SOE	n/a	n/a
Gima and Li (2002)	JW	Country comparisons of domestic firms	salespeople) & United States (190 salespeople)	Formal	SUP	n/a	n/a
Grant and Cravens (1996)	A&O	Domestic	Australia (146 sales managers)	unclear	BC	MS, DS, ES, RS	25 , 10-point scale (not at all/to a great extent) Monitoring = 8 Directing = 5 Evaluating = 5 Rewarding = 7

(Table 2.2 continued)

Table 2.2 continued

<i>Author</i>	<i>Frame work</i>	<i>Context</i>	<i>Sample Size</i>	<i>Sales Control</i>	<i>Examined Variables*</i>	<i>SFC Variables*</i>	<i>Scale Properties</i>
Grant and Cravens (1999)	A&O	Domestic	Australia (146 field sales managers)	unclear	SOE	MS, DS, ES, RS	26 , 10-point scale (not at all/to a great extent) Monitoring = 8 Directing = 6 Evaluating = 5 Rewarding = 7
Hultink and Atuahene-Gima (2000)	JW	Domestic	Netherlands (97 field salespeople)	Formal	SOE, NPSP	n/a	n/a
Jaworski, et al. (1991)	JW	Domestic	(150 salespeople of a European Car manufacturer)	Formal	SPP, SUP	n/a	n/a
Jaworski, et al. (1993)	JW	Domestic	United States (379 senior marketing executives)	Formal / Informal	FC, IC	n/a	n/a
Johnson, et al. (2005)	A&O	Domestic	United States (168 salespersons)	Formal	SPP	MS, RS	8 , 7-point scale (strongly disagree/strongly agree) Monitoring = 4 Rewarding = 4
Katsikea and Skarmas (2003)	A&O	Exporting	United Kingdom (234 export sales managers)	Formal	MC, TD	MS, DS, ES, RS	18 , 8-point scale (not at all/to very satisfied) Monitoring = n/a Directing = n/a Evaluating = n/a Rewarding = n/a
Katsikea, et al. (2007)	A&O	Exporting	United Kingdom (146 export sales managers)	Formal	PD, SOE	MS, DS, ES, RS	12 , 7-point scale (not at all/to a great extent) Monitoring = 3 Directing = 3 Evaluating = 3 Rewarding = 3
Kohli, et al. (1998)	JW	Domestic	(270 salespeople from 2 US fortune 500)	Formal	SUP, SOE	n/a	n/a
Küster and Canales (2011)	A&O	Domestic	Spain (108 field sales managers)	Formal	CS	MS, DS, ES, RS	13 , 10-point scale (not at all/to a great extent) Monitoring = 3 Directing = 4 Evaluating = 3 Rewarding = 3
Lusch and Jaworski (1991)	JW	Domestic	United States (182 retail store managers)	Formal / Informal	MC, SUP	n/a	n/a

(Table 2.2 continued)

Table 2.2 continued

<i>Author</i>	<i>Frame work</i>	<i>Context</i>	<i>Sample Size</i>	<i>Sales Control</i>	<i>Examined Variables*</i>	<i>SFC Variables*</i>	<i>Scale Properties</i>
Michalel Ahearne, et al. (2010)	A&O	Domestic	United States (254 sales representatives)	Formal	OC, BC	MS, DS, ES, RS	21 , 5-point scale (poor to excellent) Monitoring = n/a Directing = n/a Evaluating = n/a Rewarding = n/a
Navarro-García et al. (2015)	A&O	Exporting	export sales managers)	Formal	EE, MEC	n/a	n/a
Onyemah and Anderson (2009)	A&O	Country comparisons of domestic firms	1.290 salespeople from 30 multinational companies	Formal	SCS, SPP	MS, DS, ES	33 , 7 point-scale (not at all/to a great extent) Monitoring = 6 Directing = 22 Evaluating = 5
Piercy, et al. (1997)	A&O	Domestic	United Kingdom (144 field sales managers)	unclear	MC, SOE	MS, DS, ES, RS	25 , 10-point scale (not at all/to a great extent) Monitoring = 8 Directing = 5 Evaluating = 5 Rewarding = 7
Piercy, et al. (1998)	A&O	Domestic	United Kingdom (144 field sales managers)	unclear	SPP, BC	MS, DS, ES, RS	Unknown number of 10-point scale (not at all/to a great extent) Monitoring = 5 Directing = n/a Evaluating = 5 Rewarding = 7
Piercy, et al. (1999)	A&O	Domestic	United Kingdom (144 field sales managers)	Formal	MC, TD, SPP, SOE	MS, DS, ES, RS	25, 10-point scale (not at all/to a great extent) Monitoring = 8 Directing = 5 Evaluating = 5 Rewarding = 7
Piercy, et al. (2002)	A&O	Domestic	United Kingdom (214 salespersons and 35 field sales managers)	Formal	MC, BC, SOE	MS, DS, ES, RS	25 , 10-point scale (not at all/to a great extent) Monitoring = 8 Directing = 5 Evaluating = 5 Rewarding = 7
Piercy, et al. (2003)	A&O	Domestic	United Kingdom (267 field sales managers)	unclear	CS	MS, DS, ES, RS	25, 10-point scale (not at all/To a great extent) Monitoring = 8 Directing = 5 Evaluating = 5 Rewarding = 7

(Table 2.2 continued)

Table 2.2 continued

<i>Author</i>	<i>Frame work</i>	<i>Context</i>	<i>Sample Size</i>	<i>Sales Control</i>	<i>Examined Variables*</i>	<i>SFC Variables*</i>	<i>Scale Properties</i>
Piercy, et al. (2009)	A&O	Domestic	United Kingdom (335 sales managers)	Formal	MC	MS, DS, ES, RS	16, 10-point scale (not at all/to a great extent) Monitoring = 5 Directing = 3 Evaluating = 3 Rewarding = 5
Piercy, et al. (2001)	A&O	Domestic	United Kingdom (214 salespersons)	Formal	BC	MS, DS, ES, RS	14, 10-point scale (not at all/to a great extent) Monitoring = 5 Directing = 4 Evaluating = 4 Rewarding = 1
Piercy, et al. (2004)	A&O	Country comparisons of domestic firms	Greece, India, Malaysia (120, 107, 125 field sales managers, respectively)	Formal	CU, SCS, BC	MS, DS, ES, RS	10, 10 point-scale (not at all/to a great extent) Monitoring = 2 Directing = 4 Evaluating = 3 Rewarding = 1
Ramaswami (2002)	JW	Domestic	(155 sales people)	Formal	BC	n/a	n/a
Rouziès and Macquin (2003)	A&O	Country comparisons of domestic firms	UK, France, Italy Spain, Germany (232 salespeople)	Formal	CU, SBSS	MS, DS	4, 3-point scale (strongly disagree/strongly agree) Monitoring = 2 Directing = 2
Slater and Olson (2000)	A&O	Domestic	United States (278 sales executives)	Formal	SOE, MC	RS	7, 7-point scale (strongly agree/strongly disagree) Rewarding = 7
Theodosiou and Katsikea (2007)	A&O	Exporting	United Kingdom (210 export sales managers)	Formal	PD, BC, BP	MS, DS, ES	9, 7-point scale (not at all/to a great extent) Monitoring = 3 Directing = 3 Evaluating = 3

* See Table 2.3 for the definition of the labels

Table 2.3 Label definitions of variables

Abbreviations	Variables
MA	Management activities
SCS	Sales control systems
SPP	Salespeople performance
TD	Territory design
SS	Sales strategy
BC	Behaviour sales control
OP	Outcome performance
SUP	Supervisory performance
SPC	Salespeople characteristics
SOE	Sales organizational effectiveness
CU	Culture
SBSS	Salesperson behavioural selling strategies
PD	Psychic distance
MC	Management control
BP	Behavioural performance
EE	Export entrepreneurship
MEC	Managerial export commitment
FEE	Firm's export experience
ESE	Export segmentation effectiveness.
CS	Compensation systems
OC	Outcome sales control
CS	Control strategies
FC	Formal sales control
IC	Informal sales control
NPSP	New product selling performance
MKC	Marketing controls

In the second stream, the research agenda lies upon the SFCS examination in the context of exports. There are a limited number of studies conducted by a few researchers that have examined this particular research issue. Most studies rely on Anderson and Oliver's conceptualization, apart from one empirical study of Bello and Gilliland (1997) which rely on Jaworski's theory. However, all these studies focus on the antecedents and consequences of SFCS relied on the strategic direction of SFCS in exporting firms in developed countries of the UK and USA. Results indicate that SFCS can have a great influence on the performance of exporting firms and that psychic distance (the gap between the perceived and actual knowledge of local salespeople for international customers) is crucial for SFCS outcomes. Bello and Gilliland (1997) suggest that psychic distance is negatively related to output control, whereas it is positively related to export managers' performance (Katsikea *et al.*, 2007).

Psychic distance has also been reported as a moderator of the relationship between behaviour-based control and behavioural performance. Additionally, companies with

efficient export performance, have an upgraded level of management control and sales territory design in comparison to companies with low levels of export performance (Katsikea and Skarmeas, 2003) suggesting that well-organized sales territories and high management control can affect positively export performance and consequently export effectiveness. The latest research has also shown that previous experience in exports, well-structured export sales units, export segmentation commitment and export segmentation strategy are positively related to export performance (Diez-Vial and Fernandez-Olmos, 2014; Diamantopoulos *et al.*, 2014; Navarro-García *et al.*, 2015).

Concluding, there are numerous research opportunities to be further explored. The limited number of studies in exporting context, in combination with the contradictory research findings that need further empirical validation are more than enough to support further academic research.

2.3.2 Research opportunities of SFCS in international selling

Existing literature proposes that there are various research opportunities both regarding scope and focus. Most empirical research has focussed on the developed world and in western society standards in particular. Therefore, there is enough room for further research in less developed, non-western social standards and emerging markets as previously mentioned (Panagopoulos *et al.*, 2011). Emerging markets, such as China, India, Brazil and Russia, will play a dominant role in the global economy in the forthcoming economic era. Therefore, studies conducted in these countries could add value to existing knowledge and assist further in a better understanding of how SFCS operate in these countries.

New theoretical frameworks need to be presented to reflect the differentiation of international selling regarding discipline and operational aspects. The western sales context needs to be reformed in international selling challenges where new cultural aspects are involved in the selling process due to globalization (Leonidou *et al.*, 2010). Cultural aspects should also be considered in developing new theoretical frameworks in international selling. Many topics remain unexploited regarding cultural effects in international selling; customer relationships, selling structures relied on foreign market

knowledge, export procedures knowledge and sales recruiting of foreign local sales representatives.

From the authors' review of existing empirical studies, it has been found that the majority (more than 60%) of the studies has been focusing on examining sales control systems in domestic firms in a particular country (Panagopoulos *et al.*, 2011). The second favourable empirical examination among researchers was the comparison of SFCS among firms operating in different countries. The least favourable empirical focus was on examining sales control systems in exporting firms between different countries with only 4 published empirical studies so far. Additionally, it has been seen that there are no published empirical studies relied on the examination of sales control systems between exporting and non-exporting firms. Similarly, no empirical studies have been found examining sales control systems in exporting firms between different countries.

The undertaken research relies on a low-risk empirical research approach by testing a new branch of an existing theory, as proposed by Wallace and O'Farrell (2014). Therefore, the chosen research opportunity that is exploited is relied on a controversial research topic developed so far: the organizational factors that affect export effectiveness. Researchers suggest that export performance is a widely researched topic with various multidimensional approaches by several academicians, which make each empirical study unique (Leonidou *et al.*, 2010). In particular, they argue that export performance is a complex phenomenon where several inputs and outputs can be evaluated in different ways.

The challenge of understanding the sales force effectiveness drivers that may lead to export efficiency is a combination of the proposed research agenda for international selling research as presented by Panagopoulos *et al.* (2011). The particular topic is wide in range because of the need to propose a new framework for export sales force effectiveness. Nevertheless, the explored variables are limited in number and measurable, making the research topic less vague and more specific as proposed by Leonidou *et al.* (2010).

2.4.1 SFCS in export firms

Given the research pathway above, it is essential to understand the importance of SFCS in export firms. Especially in SMEs that consist the majority of European businesses. Most of the existing empirical studies have focused on the existence of numerous external barriers that firms face against their export sales effectiveness.

Bureaucracy, economic and political instability, distribution system and trained staff/personnel are among the most important barriers to export performance (Liagoras and Skandalis, 2008; Brouthers *et al.*, 2009).

Few studies have focused on the internal – corporate barriers and in particular on the SCFS that influence export performance (Table 2.2). Therefore, it can be understood that there is a research need to increase the existing scientific knowledge that could assist firms to evolve their sales units for increasing their export sales effectiveness.

2.4.2 Synthesis of existing empirical studies

As previously mentioned, due to the limited number of studies conducted in this research field, there is restricted room for synthesis. Table 2.2 presents a synthesis of existing empirical studies and shows that all of them have relied on Anderson and Oliver's (1987) conceptualization and the measurement scale of Babakus (1996). This measurement scale offers a holistic approach to SFCS measurement by combining various measures previously suggested in the research arena (Anderson and Oliver, 1987, Cravens *et al.*, 1993).

However, there is no published research examining SFCS in the export context by using the alternative conceptual philosophy of Jaworski (1988) apart from the one published by Bello and Gilliland (1997) referring to the effects of controls over export channel performance. Theodosiou and Katsikea (2007) strongly recommend the examination of the factors affecting export activity under Jaworski's (1988) conceptualization. Similarly, Katsikea and Skarmas (2003) suggest the examination of sales managers' behavioural attitude in the environmental context under this conceptualization as well. But, Jaworski's (1988) conceptualization is more applicable to topics exploring the effects of external factors affecting SFCS in sales units. Therefore, the examination of

the internal factors affecting SFCS by using the particular conceptualization has no applicability both regarding research validity and measurement.

Referring to the methodologies used by existing studies, various new methodologies (Cravens *et al.*, 1993; Piercy *et al.*, 2006) have not been used in the particular field yet (Table 2.2). The existing studies have mostly relied on the sales management perceptions, and they strongly recommend future studies to focus on gathering data both from senior managers and salespersons as suggested by Baldauf *et al.* (2005). The above methodology offers the advantage to study simultaneously control measures from various organization layers, by offering a more holistic approach (Piercy *et al.*, 2006).

Encouragement is given to the researchers pursuing studies on the SFCS by comparing the conceptualizations of Anderson and Oliver (1987) versus Jaworski (1988) (Panagopoulos and Avlonitis, 2008; Theodosiou and Katsikea, 2007). However, this comparison in some cases is not feasible as the scope of each theory differs. The Anderson and Oliver conceptualization provide a more detailed approach to behavioural aspects of SFCS and considers SFCS without taking into account external factors in contrast to Jaworski's theory that does not take into account the behavioural aspects and considers external factors affecting SFCS.

2.4.3 Research opportunities of SFCS in export firms

About country context, the research portfolio of empirical studies examining SFCS in an export context is very limited (Table 2.2). All the studies involved concern two particular countries (UK - US) (Bello and Gilliland, 1997, Katsikea and Morgan, 2003; Katsikea *et al.*, 2005; Katsikea *et al.*, 2007). It is essential though for new studies to be published examining SFCS in export sales units in other developed or developing countries as well. Furthermore, there is a need for studies that examine and compare SFCS in export organizations between developed and non-developed countries - emerging markets, which have been strongly recommended by many authors as a top research opportunity in international selling (Panagopoulos *et al.*, 2011). A replication study in other EU countries has been strongly recommended, (Katsikea and Skarmas, 2003; Theodosiou and Katsikea, 2007; Katsikea *et al.*, 2007) to compare research findings regarding Anglo-Saxon and Mediterranean countries cultural effects.

Concerning the types of exporting organizations, existing literature relies on purely domestic firms (UK) that have an exporting activity abroad (Katsikea and Skarmas, 2003; Theodosiou and Katsikea, 2007; Katsikea *et al.*, 2007). These studies do not take into consideration exporting firms that are part of multinational organizations or implement exports through agencies abroad, but they have focused on purely direct exporters.

As far as conceptualization in concern, the study of the behavioural attitude of sales managers in the environmental context as suggested by Jaworski (1988) has also been recommended in most studies by using relevant measurement control approaches such as Challagalla and Shervani (1996). The implementation of longitudinal studies to enlighten any possible cause and effect relationships that exist within export activity is also a research opportunity for the future. Concerning export measurement performance, the use of Cravens' control dimensions in the context of export-related research is encouraged in future research. Moreover, gathering data from different layers of management would offer a more holistic approach as suggested by Piercy *et al.* (2006). Finally, a better understanding of the factors that enhance and inhibit performance within international channels of distribution can be achieved from future research (Bello and Gilliland, 1997).

2.5.1 Sales force effectiveness conceptual frameworks

Sales organization outcomes have been extensively studied in the particular research field. Sales effectiveness is considered to be the evaluation of the outcome of organizational performance in several aspects of business activity such as sales volume, market position and customer satisfaction (Babakus *et al.*, 1996; Piercy *et al.*, 1999).

By definition, it is the achievement of maximum financial return and customer loyalty from the sales efforts of a sales unit (Cargill Consulting Group Inc., 2005:5). Piercy *et al.* (1999) imply that there is a positive role of sales force performance in sales unit effectiveness. Moreover, research findings show that the adoption of an SFCS is positively related to sales performance (Hultink and Kwaku, 2000).

Sales effectiveness has been discovered to be positively influenced by internal drivers:

- Management behaviour (Katsikea and Skarmeeas, 2003; Madhani, 2015)
- Salesperson's characteristics (Ingram *et al.*, 2000)
- Salesperson's knowledge distinctions (Leigh *et al.*, 2014)
- Salesperson's product knowledge (Mariadoss, 2014)
- Salesperson's commitment to provision of superior customer value report (Schwepker, 2013)
- Salesperson's ethical behaviours on his/her performance (Agnihotri and Krush, 2015)

Sales effectiveness has been discovered to be positively influenced by external drivers as well (Bello and Gilliland, 1997; Zou and Stan, 1998; Sousa *et al.*, 2008):

- Psychic distance
- Competitive rivalry
- Market dimensions

The internal sources of sales effectiveness drivers have been initially identified by Piercy *et al.* (1998) and examined in several studies (Babakus *et al.*, 1996; Piercy *et al.* 1999). These are figured as follows:

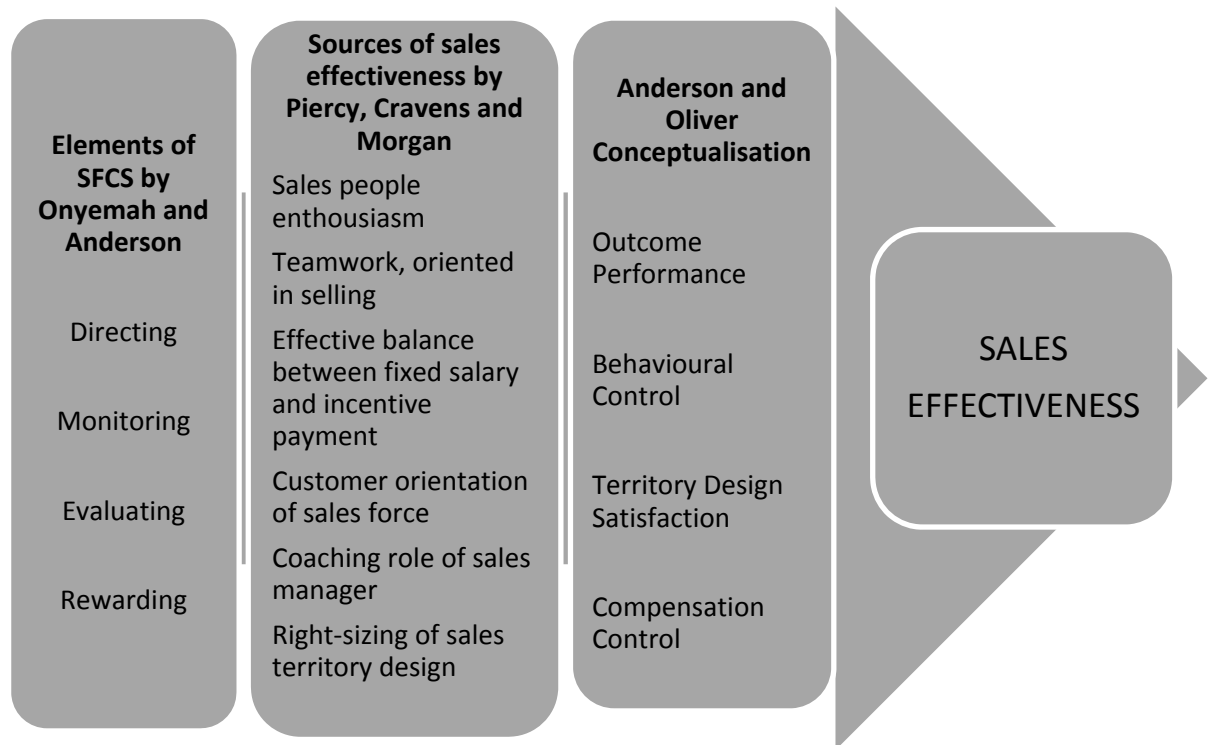
1. Salespeople enthusiasm
2. Teamwork, oriented in selling
3. Effective balance between fixed salary and incentive payment
4. Customer orientation of sales force
5. Coaching role of sales manager
6. Right-sizing of sales territory design

Figure 2.1 shows the sources of sales effectiveness, as presented by Piercy *et al.* (2004:32) that can lead to the consequences of SFCS (Anderson and Oliver, 1987) towards sales force effectiveness.

It can be understood that the management's objective and management style can influence the sources of sales effectiveness. The directing, monitoring, evaluation and rewarding elements are crucial management elements that can affect the sources of sales

effectiveness as presented by Piercy *et al.* (2004). Consequently, these sources presented above consist of the main framework presented by Anderson and Oliver (1987) where sales outcome performance, behavioural management control, territory managers' satisfaction and compensation control are the main consequences of SFCS that lead to sales force effectiveness.

Figure 2.1 Sales Force Effectiveness Frameworks



(Drawn from an examination of the literature)

The above sources of sales force effectiveness have been included in an updated sales force effectiveness framework (Table 2.4) presented by Zoltners *et al.* (2008). This updated version of the initial framework issued by Zoltners *et al.* (2001), has been continuously enhanced and enriched regarding sales practices by more than 400 sales leaders and 1.000 executive-level students. In this framework, the above sources are transformed to sales force effectiveness drivers:

1. Definers: sales force structure and clear roles
2. Shapers: salespeople skills and capabilities
3. Exciters: salespeople motivation
4. Enlighteners: salespeople essential customer knowledge
5. Controllers: appropriate management direction

Table 2.4 Two Approaches Leading to the Development of the Five Sales Force Effectiveness Driver Categories

Approach 1	Approach 2	Salesforce effectiveness driver category
What Salespeople need	Clusters of sales management decisions by the impact	
Clear roles and territories	Sales force design Structure and roles Sales force size Territory alignment	Definers
Skills, capabilities and values to succeed	Recruiting Training Coaching Culture formation Leadership Sales managers Compensation and incentives	Shapers
Customer knowledge (know-how) necessary to succeed	Customer research Targeting Data and tools Customer relationship management	Enlighteners
To be motivated and inspired to succeed (incentives)	Culture Leadership Compensation and incentives Motivation programs Meaningful work	Exciters
To have their activities directed in appropriate ways (control)	Culture Sales managers Compensation and incentives Performance management and measurement Goal setting and forecasting Coordination and communication	Controllers

Source: Zoltners *at al.* (2008)

All the above internal aspects contribute to sales effectiveness. Additionally, the external aspects (company and macro environmental factors) affect the sales effectiveness as well, but they cannot be controlled and managed by sales management (Table 2.6). As a result, the external aspects of SFCS cannot be considered as influence factors of sales force effectiveness that can be affected by sales management systems.

Despite the fact that there are several commonalities between the sales effectiveness drivers, there are no empirical studies published yet, relied on this framework. This framework assists practitioners to assess sales force effectiveness and point out any force issues that can be considered as the drawbacks of the sales system. Further research is needed to understand the role of each driver and its performance regarding sales force effectiveness contribution. However, it is the systematic examination of sales force effectiveness drivers taking into consideration both practitioner and academic viewpoints and contribution to future research on the development of analytical tools and methods that can evaluate, measure and evolve performance drivers. An updated proposition of the same authors, towards a more holistic approach to sales force system framework, suggests that sales leaders should develop a more balanced approach to motivating and controlling sales force effort using other sales force effectiveness drivers in addition to large short-term individual incentives (Zoltners *et al.*, 2012).

A recent conceptual framework by Darmon and Martin (2011) specifies relationships between variables and SFCS aspects relied on the following literature gaps:

1. The existence of various measurement approaches in sales force effectiveness,
2. The lack of a unified view of sales management control (Baldauf *et al.*, 2005:10).

In this framework, the main aspects that influence SFCS are the management (organizational variables) and salespeople (personal variables); both of them contribute to sales outcomes (salespeople's transactions and customer relationship performance).

It takes into consideration the following acceptances:

- Various management objectives that may differ from business to business depending upon the scope of corporate sales culture and control.
- The management may choose a centralized or decentralized philosophy of corporate culture.

It can be understood that this framework is a hybrid version of both previously mentioned frameworks by taking into consideration various drawbacks of these frameworks (Darmon and Martin, 2011). In this framework, objectives are considered not be conformed to all sales units; several variations may occur from one sales unit to another either regarding the outcome or behavioural sales objectives.

Similarly, the role of corporate culture plays a significant role in this framework in contrast to the others in which culture was disregarded. It is evident that due to the new challenges of international selling that most firms are confronted with; the role of corporate culture in sales units may affect the sales outcomes and the overall effectiveness of sales units significantly.

In spite of the fact that this framework examines SFCS structure more objectively rather than relying on managerial and salespeople's perceptions, it needs further academic validation as no empirical studies have been published yet validating the framework's propositions. However, the importance of sales control systems is indisputable as whatever system each organization deploys, all sales management control systems have a positive impact on the sales organization effectiveness (Babakus *et al.*, 1996).

2.5.2 Development of SFCS effectiveness conceptual framework in export content

As clearly stated above, the research relies on Anderson and Oliver's (1987) conceptualization which has received wide acceptance over the last decades in the SFCS academic community and several empirical studies have been published under this conceptualization (Table 2.2).

The challenge to pursue empirical studies on the grounds of the research frameworks of Zoltners *et al.* (2008) as well as Darmon and Martin (2011) has been an emerging research opportunity. Both frameworks are considered to have a holistic and consistent approach to the sales system towards sales force effectiveness. They take several previous frameworks' drawbacks into considerations such as:

1. Sales systems differ regarding structure, culture and corporate objectives
2. Corporate philosophy may balance between centralized or decentralized approach
3. The interdependencies of different sales management decisions versus compatibility of management decisions

Each of these driver categories includes a portfolio of several sub-functions of management control. For instance, behaviour control is an export sales unit includes monitoring, directing, evaluating and rewarding management procedures. Similarly, territory design includes design, alignment and size of sales territories.

Table 2.5 figures a consolidation of export sales force effectiveness drivers (SFED) with their management sub-functions. It takes into consideration the frameworks of Zoltners *et al.* (2008) and Darmon and Martin (2011) as well. It can be assumed that all clusters of sales management decisions fall into these categories and can be examined compared to existing literature.

In some particular SFED categories, only one category driver can be found. Export Territory Design Satisfaction meets only definers which are set by sales management and defines the corporate sales system. Similarly, territory design is a major tool for influencing the quantitative level of export salespeople's activities by taking into consideration the approach of Darmon and Martin (2011).

Table 2.5 A consolidation of Export Sales Force Effectiveness Driver Categories with proposed frameworks of Zoltners *et al.* (2008) and Darmon and Martin (2011)

Export Sales Force Effectiveness Categories	Driver Category Zoltners, Sinha and Lorimer (2008)	Tools for Influencing Export Salespersons': (Darmon and Martin, 2011)
Export Outcome Performance		
Targeting	Enlightener	Outcome Objectives
Data and tools	Enlightener	Quantitative Level of Activities
Performance management and measurement	Controller	Quantitative Level of Activities
Goal setting and forecasting	Controller	Outcome Objectives
Meaningful work	Exciter	Outcome Objectives
Export Behaviour Control Strategy		
Recruiting	Shaper	QLSTOA*
Training	Shaper	QLLTOA*
Coaching	Shaper	QLLTOA*
Culture formation	Shaper	QLLTOA*
Leadership	Shaper	QLLTOA*
Sales managers supervision	Shaper	Quantitative Level of Activities
Structure and roles	Definer	Quantitative Level of Activities
Customer research	Enlightener	QLLTOA*
Customer relationship management	Enlightener	QLLTOA*
Culture	Exciter	QLLTOA*
Coordination and communication	Controller	QLLTOA*
Export Territory Design Satisfaction		
Sales force design	Definer	Quantitative Level of Activities
Sales force size	Definer	Quantitative Level of Activities
Territory alignment	Definer	Quantitative Level of Activities
Compensation Control in Export Sales Units		
Compensation and incentives	Controller	QLLTOA*
Motivation programs	Exciter	QLLTOA*

* QLSTOA = Qualitative Level of Short-Term-Oriented Activities

* QLLTOA = Qualitative Level of Long-Term-Oriented Activities

(Drawn from an examination of the literature)

On the contrary, the remaining SFED categories include various drivers which can be used as effective tools for influencing export salespeople's outcome objectives, qualitative and quantitative level of long- and short-term activities. The export outcome performance includes three driver categories, all of which affect salespersons' activities. Similarly, these drivers act as management tools for influencing salespeople's outcome objectives and quantitative level of activities. Export behavior control strategy consists of a set of all driver categories by influencing the determinants of the export sales system; the export related salespeople and the export sales force activities. The mentioned drivers are the main tools for influencing the qualitative level of long- and short-term oriented export sales activities as well as the quantitative level of export sales activities.

Finally, the control compensation strategy in export sales units is composed of sales drivers that influence export sales activities by influencing the qualitative level of these long-term oriented activities.

The above consolidated frameworks lead to the suggested export sales force effectiveness framework which is illustrated in Table 2.6. The framework shows the impact of sales force effectiveness drivers in various parts of the export sales system; the export sales structure, export related salespeople and export sales activities.

Additionally, the framework describes what the salespersons' needs are and what sales managers should do in attaining sales effectiveness. It can be inferred that the descriptions below are quite subjective and can be perceived differently by managers or salespeople from one export sales unit to the other. However, the main approach to achieve sales effectiveness is common and differs only in the density of the activities performed above.

The proposed framework has grounds in the export context of this research by taking as a fact that both behavioural and outcome aspects of sales control influence sales force effectiveness. However, empirical evidence has shown that additional factors should be considered when examining export sales units.

Table 2.6 Export Sales Force Effectiveness Framework

Export Sales Force Effectiveness Categories	Drivers' Impact	Export-related salespeople need to achieve sales effectiveness They need to:	Export Sales management's obligations to achieve sales effectiveness They have to:
Export Outcome Performance			
Targeting	Affects sales activities	know what to succeed	obtain the utmost outcome from target setting
Data and tools	Affects sales activities	have the necessary data and tools to succeed	obtain the utmost outcome from data and tools provision
Performance management and measurement	Affects sales activities	be managed and measured appropriately	manage and measure salespeople in the most effective way
Goal setting and forecasting	Affects sales activities	have clear goals and feasible forecasts	set goals and achievable sales forecasts
Meaningful work	Affects sales activities	have a creative work that can fulfill their ego	provide such a working environment where salespeople can perform their best
Export Behaviour Control Strategy			
Recruiting	Influence salespeople	be recruited appropriately	have a clearly defined recruiting scheme that leads to sales effectiveness
Training	Influence salespeople	be trained in a comprehensive way	have a clearly defined training scheme that leads to sales effectiveness
Coaching	Influence salespeople	be coached by good sales managers - coaches	coach sales teams effectively
Culture formation	Influence salespeople	be adapted to the corporate culture	provide a clearly set corporate culture
Leadership	Influence salespeople	be inspired by sales leaders	lead efficiently by inspiring salespeople
Sales managers supervision	Influence salespeople	be supervised effectively	supervise effectively
Structure and roles	Determines sales system	have clear job roles and sales structure	set clear defined job roles and sales operational structures

(Drawn from the examination of literature)

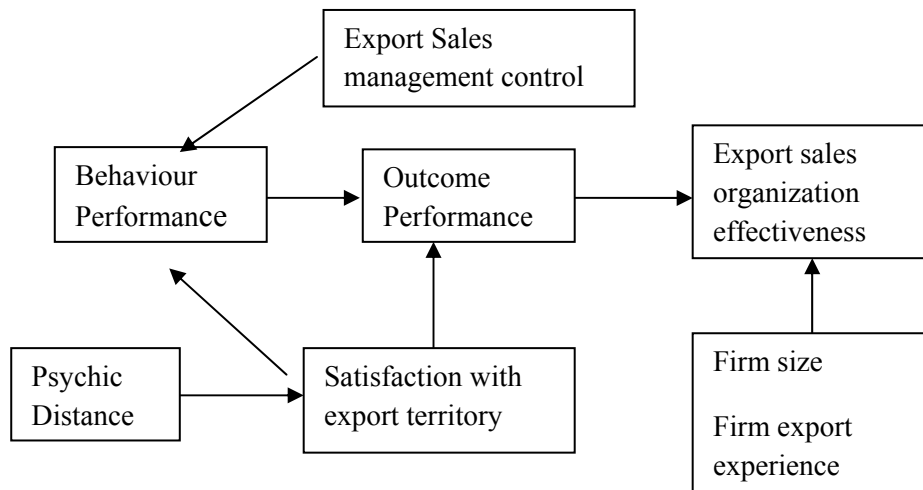
Table 2.6 Export Sales Force Effectiveness Framework (cont.)

Export Sales Force Effectiveness Categories	Drivers' Impact	Export-related salespeople need to achieve sales effectiveness They need to:	Export Sales management's obligations to achieve sales effectiveness They have to:
Export Behaviour Control Strategy			
Customer research	Affects sales activities	be able to conduct effective customer research	provide all necessary means to assist salespeople in customer research
Customer relationship management	Affects sales activities	be able to build strong bonds with a customer base	enhance customer relationship building with salespeople
Culture	Affects sales activities	diminish cultural gaps among stakeholders	diminish cultural gaps among stakeholders
Coordination and communication	Affects sales activities	effectively communicate with sales management	have effective communication and feedback with salespeople
Export Territory Design Satisfaction			
Salesforce design	Determine sales system	have a proper designated sales design	design effective sales systems
Sales force size	Determine sales system	have a proper designated sales role	provide clear sales roles
Territory alignment	Determine sales system	have a proper designated sales region	provide well established sales regions
Compensation Control in Export Sales Units			
Compensation and incentives	Affects sales activities	have an appropriate compensation and incentives scheme	provide an effective compensation and incentives scheme for salespeople
Motivation programs	Affects sales activities	be well motivated	motivate salespeople to achieve higher sales results

(Drawn from the examination of literature)

In particular, Theodosiou and Katsikea (2007) have suggested a conceptual model of export sales organization effectiveness taking into consideration the Anderson and Oliver (1987) conceptualisation (Figure 2.2). In their suggested framework, findings revealed that outcome performance has a direct impact on export sales organization effectiveness, whereas behaviour performance influences indirectly export sales organization effectiveness through outcome performance. On the contrary, psychic distance is negatively related to territory satisfaction and export sales organization effectiveness. However, firm size plays a positive role in export sales organization effectiveness.

Figure 2.2 Conceptual model of export sales organization effectiveness

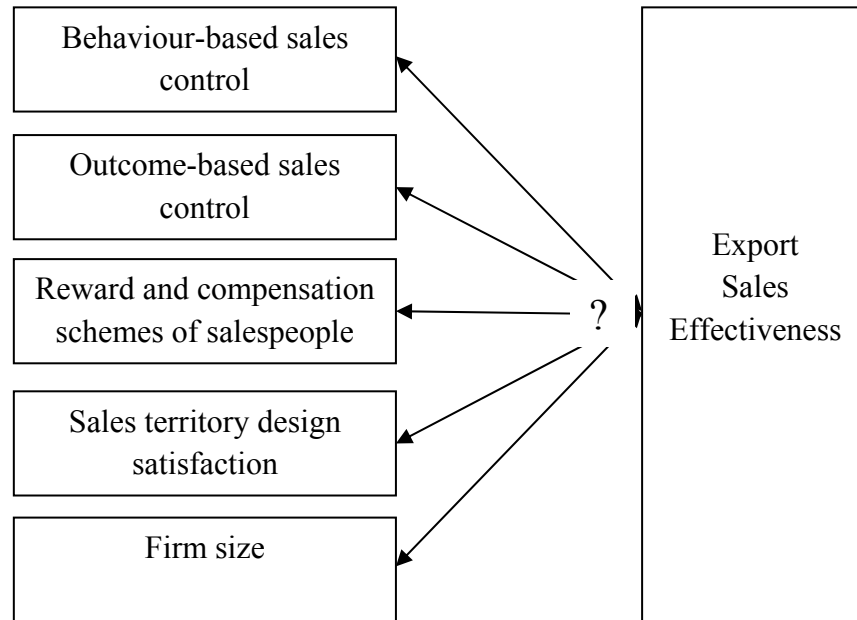


(Source: Theodosiou and Katsikea, 2007)

Therefore, a main conceptual framework is illustrated below including not only the SFE drivers: behaviour-, outcome-based sales control, reward and compensation schemes of salespeople and sales territory design satisfaction but also firm size (Figure 2.3). It is presumed that the same factors affect the sales effectiveness in exporting SMEs as for domestic operating firms, given the fact that exporters are domestic firms with exporting activity. Moreover, it is important to mention that the proposed framework does not take into consideration firms that operate as subsidiaries of multinational companies or do exports through foreign agents, but SMEs with organised export sales department implementing direct exports. Business-to-business dominates SME exporting in Europe consisting 74% of the overall SME exporting trade (Muller, 2014). B2B compared to B2C selling processes are totally different, and it is important to

mention that the suggested framework relies on B2B export selling processes and how these can be improved so as to contribute to export effectiveness.

Figure 2.3 Suggested Conceptual Framework



(Source: Drawn from the literature review)

- *Behaviour-based control of sales management in export units:* the type of export sales management control that focuses on inputs and processes and encourages salesperson input to the export selling process such as sales call planning and customer relationship building.
- *Outcome-based control of sales management in export units:* the set of transactional objectives (e.g. quarterly sales, the market share of profit goals) that are involved in export sales managers' performance management, measurement and targeting about actual outcomes performed by salespeople.
- *Reward and Compensation schemes for salespeople within export units:* the proportion of incentive pay in the total compensation of export-related salespeople
- *Sales territory design of export units:* the set of managerial decisions involved in the assignment of customers, prospects, products, geographical areas and other territory dimensions to each export salesperson in the export sales unit.
- *Firm size:* the firm's total employment capacity, a proxy of the firm's resources level.

This research focuses on the examination of these drivers in the exporting activity by testing a new branch of an existing theory (export context). Some of these drivers have been tested in domestic firms (Babakus *et al.*, 1996; Piercy *et al.*, 1999; Piercy *et al.*, 2004). Now, these are tested along with the latest but dated ones proposed by Theodosiou and Katsikea (2007), Zoltners *et al.* (2008) and Darmon and Martin (2011) against exporting SMEs. The field of the research is narrow due to the limited number of references and empirical studies published so far, but it is evident that it is a research opportunity to discover further the particular research field.

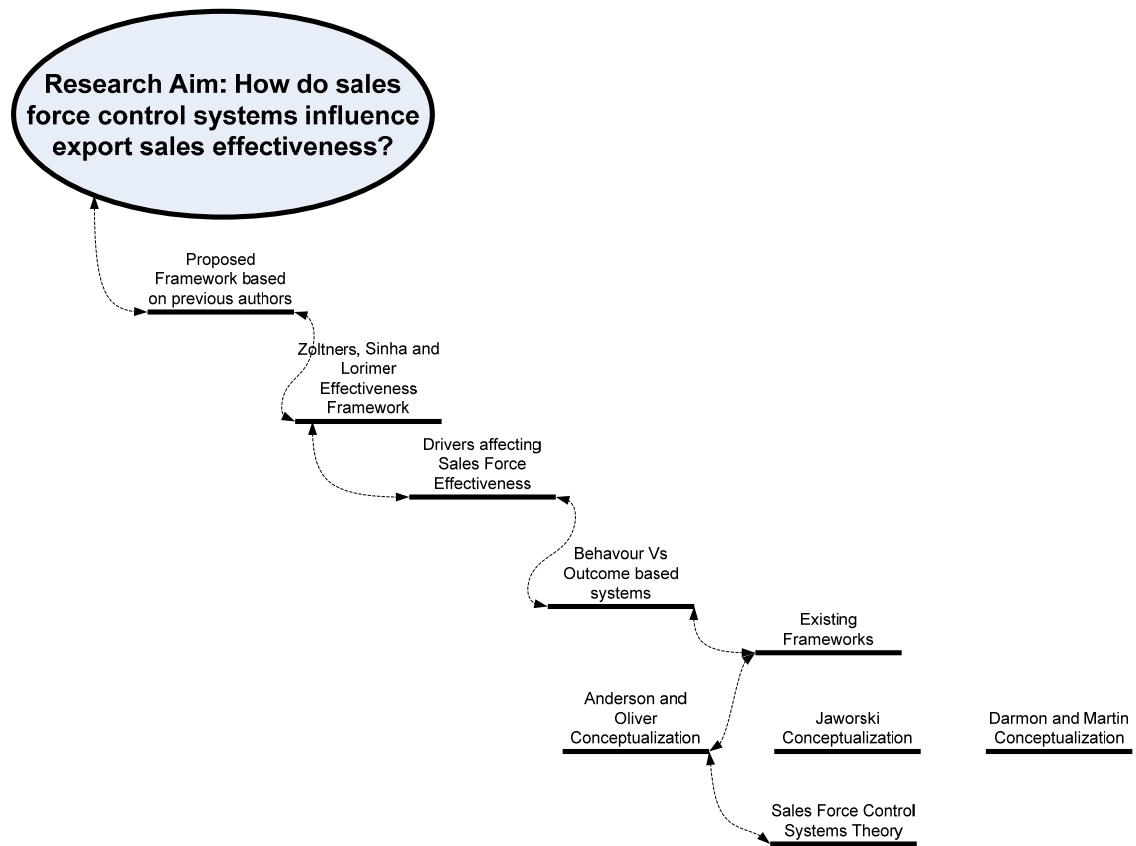
2.6 Literature journey

While reviewing existing literature, several research opportunities confront academic researchers. In the international selling research field, in particular, businesses are confronted with challenges both regarding the expansion of their exporting activity abroad and the adjustment of existing local sales units that may operate abroad in foreign markets.

Taking this as an emerging factor that needs immediate managerial direction from an academic perspective, empirical studies in this field are encouraged by existing authors. Therefore, this research is focusing on the aspect of the export context of trying to investigate the main factors, and these organizational drivers may affect export sales effectiveness. The literature journey above (Figure 2.4) shows the main paths that have been followed by the formulation of this review. It is evident that several milestones have been met during this process. The deductive approach has been followed while reviewing the literature. The main conceptual frameworks of Jaworski (1988) Anderson and Oliver (1987) have been reviewed by providing the main advantages and drawbacks of each conceptualization through their comparison.

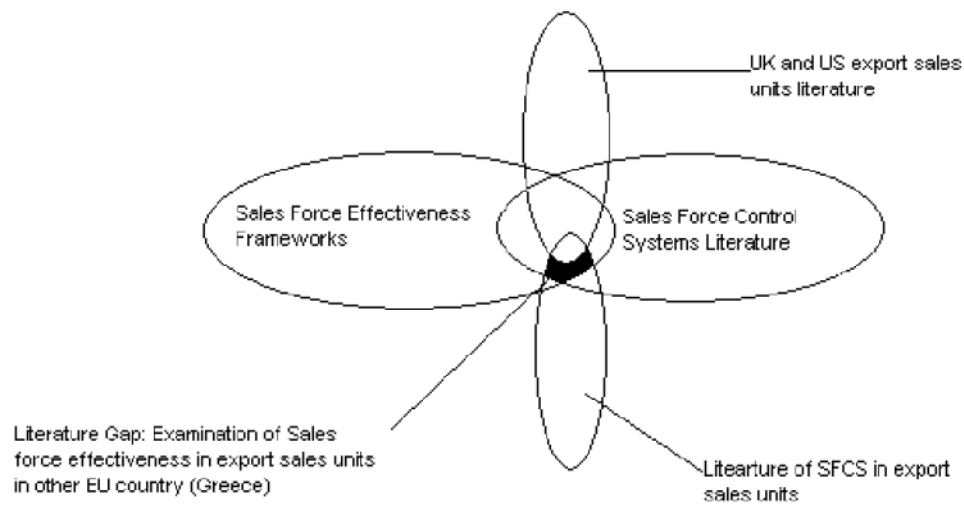
A deep understanding of outcome- versus behaviour-based control systems and their effects on sales effectiveness was necessary to understand how sales systems perform. Also, further knowledge should be obtained by the examination of the drivers that affect sales force effectiveness. This process led to the examination and evaluation of the existing frameworks on sales force effectiveness published by Zoltners *et al.* (2008) and Darmon and Martin (2011). The result was the formulation of a proposed framework for export sales force effectiveness.

Figure 2.4 Literature Journey



Similarly, the figure below (Figure 2.5) shows the main literature gaps explored and the one chosen for this research. The figure below shows that the literature gap identified is part of the SFCS literature, in the context of exports in a non-Anglo-Saxon area of study (Greece). Therefore, research results are considered to be of interest as there has been no published work in any other EU country from continental Europe examining the SFCS in the export context.

Figure 2.5 Literature Gap



Therefore, the study tries to address the following existing literature gaps:

- Relatively few studies examining sales control systems about export sales effectiveness.
- No studies have been published yet examining the sales force effectiveness drivers that might affect the sales effectiveness in the export context in particular.
- There are no published empirical studies examining the sales force effectiveness of Greek exporting SMEs.
- There are no empirical studies examining SFE by gathering data from both sales managers and salespeople.
- There are no empirical studies testing Craven's behavioural control dimensions both from salespeople and sales managers.

These literature gaps are discussed in literature synthesis, and the basic theory development is presented in the subsequent chapter.

Chapter 3: Literature synthesis and basic theory development

3.1 Introduction

This chapter provides a synthesis of the above literature review by focusing on the development of the main literature outcomes that derive from this review. The proposed conceptual model (Figure 2.3) proposes the existence of five major aspects of sales management that affect export sales effectiveness. In particular, these are: (1) behaviour control of sales management in export units, (2) outcome control of sales management in export units, (3) reward and compensation schemes for salespeople within export units, (4) the sales territory design of export unit, and (5) the size of the firm. A literature synthesis is presented below relied on the above research outcomes of published research. The basic theory that is presented in this chapter is the foundation of the pilot study that is conducted. Research findings of the pilot study are critically evaluated before transforming into a formal research theory.

3.2 Literature synthesis

On the grounds of the proposed conceptual diagram, the literature synthesis suggests the following implications regarding export sales effectiveness. The following SFCS factors are implied to have a functional relationship with export sales effectiveness.

3.2.1 Behaviour-based control of sales management in export units

Behaviour control systems rely on higher levels of non-selling priorities that aid salespeople to make high contributions to sales outcomes; including monitoring, evaluating, directing, rewarding and re-educating salespeople (Anderson & Onyemah, 2006). Behaviour control systems are an essential tool in managing customer-oriented relationships in comparison to outcome control systems that seem to be outdated (Piercy *et al.*, 1998).

Several studies have examined the contribution of behaviour control in sales effectiveness. They suggest that behaviour control is positively related to outcome

performance of sales units (Katsikea *et al.*, 2014; Baldauf *et al.*, 2001; Baldauf *et al.*, 2002; Cravens *et al.*, 1993; Piercy *et al.*, 1999). Other studies go beyond and suggest that behaviour control is positively related to outcome performance (results produced by sales managers such as market share, sales volume, profitability). Moreover, it is also positively related to behavioural performance (evaluation of the activities and strategies performed by sales managers while executing managerial responsibilities) of sales units (Theodosiou and Katsikea, 2007; Piercy *et al.*, 1998, Samaraweera and Gelb, 2015). The application of influence tactics as key behaviour set of the sales role has been recently studied by Plouffe *et al.* (2014). They suggest that influence tactics can be used to predict objective sales performance, but their effect on performance varies among salespeople.

Baldauf *et al.* (2001) identified that behaviour control is highly positively associated with sales effectiveness. This association supports previous findings published by Piercy *et al.* (1999) that positively associates behavioural performance with outcome performance and outcome performance with organizational effectiveness respectively. Additionally, empirical findings relied on Jaworski's conceptualization (Jaworski and Kohli, 1991) support that positive behavioural feedback (by managers to sales employees) has the highest effect on salespersons' performance compared to negative or absence of any feedback. Grant and Cravens (1999) reported significant differences in various behavioural control activities between high- and low- performing sales units regarding profitability by suggesting that behavioural control activities may affect sales unit effectiveness. Behavioural control systems are likely to be found in firms operating in business environments with high levels of competition and changing macro environmental conditions (Jaworski, 1988). It could imply that behavioural control systems may be more favourable to businesses that have export oriented sales policies.

Conclusion: The literature suggests that there is a functional relationship between export sales managers' behaviour-based control and export sales effectiveness.

3.2.2 Outcome-based control of sales management in export units

The conceptual model of Walker *et al.* (1979) has primarily proposed the positive relationship between salesperson's outcome performance and sales unit effectiveness. Similarly, several empirical findings support the positive relationship of outcome performance - sales effectiveness (Babakus *et al.*, 1996; Piercy *et al.*, 1999, Guenzi *et al.*, 2014). Despite the fact that sales effectiveness is also influenced by several environmental and organizational factors, outcome performance is directly positively associated with sales organizational effectiveness (Piercy *et al.*, 1999). Outcome control styles have shown positive combinatorial effects that enhance salesperson knowledge and intrinsic motivation while mitigating salespersons' role ambiguity (Miao and Evans, 2012). Moreover, outcome control in combination with capability control has shown positive interactive effects on task enjoyment and recognition seeking, but outcome control and activity control have a positive interactive effect on compensation seeking but a negative interactive effect on task enjoyment (Miao and Evans, 2014). Behaviour control sales systems have been found to be positively related to outcome performance (Baldauf *et al.*, 2001; Cravens *et al.*, 1993; Samaraweera and Gelb, 2015). Additionally, the proper territory design causes better sales outcomes as salespeople can perform in a well-organized way (Babakus *et al.*, 1996). Some other organizational drivers affect salesperson's outcome performance negatively. High salespersons' supervision brings lower sales outcomes (Gima *et al.*, 2001). Similarly, inconsistencies within sales systems can cause low salespersons' outcomes as they influence salesperson's performance (Onyemah and Anderson, 2009). Therefore, there is a positive relationship between the salespeople's export outcome performance and export sales unit's effectiveness:

Conclusion: The literature suggests that there is a functional relationship between export sales managers' outcome-based control and export sales effectiveness.

3.2.3 Reward and compensation schemes for salespeople within export units

Sales managers use compensation schemes to reward salespeople's sales outcomes and encourage them to be more productive in achieving sales unit effectiveness (Churchill *et al.*, 2000). Compensation control has been found to be positively related to outcome

performance and sales effectiveness (Cravens *et al.*, 1993). Although, the level of the contribution of compensation schemes has been yet unknown in the academic community as there are poor measurement tools employed so far to show the impact in detail. However, an empirical effort has shown that in response to a compensation reduction, the salespeople at pay high levels change their efforts, less than the salespeople at lower pay levels (Dustin and Belasen, 2013). Apart from this, there is empirical evidence suggesting that culture affects differently the compensation schemes that businesses offer and this implies that multinational companies should consider cultural aspects when delivering compensation schemes from the headquarters to their subsidiaries or sales agencies abroad (Piercy *et al.*, 2004).

Furthermore, Bulent and Barker (2003) report that the higher the compensation salespeople receive, the better their contribution to sales volume. Again, it is important to mention that limited measurement tools oppose the reliability and validity of the empirical findings as most of them rely on managerial perceptions. Taking into consideration all the findings above, we can hypothesize that an export organization that offers a compensation scheme of incentive pay apart from fixed salary should perform higher export sales effectiveness in comparison with firms that offer only a fixed salary.

Conclusion: The literature suggests that there is a functional relationship between the export salespersons' satisfaction on incentive pay and export sales unit effectiveness.

3.2.4 Sales territory design of export units

Territory management plays a significant role in sales management and determines sales organizational effectiveness (Ingram *et al.*, 2000). A well-designed sales territory enables the sales unit to make effective use of salespeople's selling capabilities that lead to enhanced sales outcomes (Zoltners *et al.*, 2001). Donaldson (1990) has referred to the benefits of well-designed sales territories for export sales units:

- Reduction of overseas selling expenses
- Better coverage of international markets
- Clear and pre-defined job role of export managers (avoidance of job ambiguity)
- Efficient relationship between sales resources and overseas customer needs

- Clear performance evaluation

Piercy *et al.*, (1999) suggest that exporting firms operating in a highly dynamic and competitive environment are characterized by sophisticated organizational structures and effective sales territory designs. Additionally, territory design is positively related to behaviour control systems as these systems offer higher level internal adjustments in sales processes (Piercy *et al.*, 1998). Empirical findings also suggest that effective organizations are more likely to focus more on territory designs in comparison to less effective ones (Baldauf and Cravens, 1999). Further empirical support for the relationship of territory design and sales unit effectiveness indicated that high levels of manager's satisfaction in the sales force allocation within the sales territory design are positively related to sales unit effectiveness (Babakus *et al.*, 1996; Grant and Cravens, 1999; Piercy *et al.*, 1999; Piercy *et al.*, 2004). Similarly, Katsikea and Skarmas (2003) identify that highly effective export sale units are characterized by better-structured export sales organization designs.

Conclusion: The literature suggests that there is a functional relationship between export sales managers' satisfaction with the export sales territory design and export sales unit effectiveness.

3.2.5 Firm size

The size of the firm can play a significant role in export sales unit effectiveness. Several empirical studies suggest the positive impact of large firms in export performance in comparison to smaller firms (Arthur *et al.*, 2000; Wagner, 2001; Adu-Gyamfi and Korneliusson, 2013; Hwang *et al.*, 2015). Larger firms can bear the costs of logistics and transportation, resource enough financing for going international, conduct more sophisticated export market research and become more competitive in global markets through greater purchasing power (Cavusgil, 1984; Aaby and Slater, 1989; Katsikea and Morgan, 2003; Hwang *et al.*, 2015).

Conclusion: The literature suggests that there is a functional relationship between firm size and export sales unit effectiveness.

Thus, the literature review suggests the following outcomes:

- There is a functional relationship between behaviour-based control of sales management in export units and export sales effectiveness.
- There is a functional relationship between outcome-based control of sales management in export units and export sales effectiveness.
- There is a functional relationship between reward and compensation schemes for salespeople within export units and export sales unit effectiveness.
- There is a functional relationship between the sales territory design of export units and export sales unit effectiveness.
- There is a functional relationship between the size of the firm and export sales unit effectiveness.

3.3 Development of Basic Theory and Conceptual Framework.

In the preceding literature review, the following outcomes derived from the synthesized literature provide the following propositions implications. The elaborations below of these outcomes are the foundations of the development of the basic theory.

3.3.1 Behaviour-based control of sales management in export units

From the literature review, behaviour system strategies differ in various aspects in comparison with outcome-based strategies. In behaviour-based control export sales units, salespeople are highly supervised and monitored, frequently evaluated on their sales activities, having less role stress in their responsibilities due to the increased feedback they receive from their managers and achieve higher long-term sales effectiveness. However, in the short run, salespeople may achieve low levels of sales effectiveness due to low sales outcomes. Low sales outcomes may be caused by several factors like an initial mismatch of the salesperson with corporate sales culture, difficulties in adapting sales processes or inability of newly hired sales people to add new external sales approaches in a highly organized sales system.

3.3.2 Outcome-based control of sales management in export units

Empirical evidence shows that in outcome-based control export sales units, salespeople are evaluated for their sales outcomes and performance, which is measured in various ways: sales volume, turnover, profitability ratios, etc. Outcome performance is highly related to sales effectiveness. High-performing salespeople are more sales effective in comparison to low-performing salespeople. Consequently, high-performing sales teams create highly effective sales systems. But it is evident that in outcome-based control systems, salespeople are rarely supervised and monitored, less frequently evaluated on their sales activities, have higher levels of role stress in their responsibilities due to the absence of frequent feedback from their managers and achieve higher short-term sales effectiveness but doubtful long-term sales effectiveness.

3.3.3 Reward and compensation schemes for salespeople within export units

Literature suggests that the use of a compensation scheme for a sales unit assists in export sales effectiveness. The more a compensation scheme is adjusted to salespersons' culture, behaviour, motivators and reward ethics the higher are the sales outcomes of export sales units. Therefore, compensation strategy motivates salespeople to increase their sales performance.

3.3.4 Sales territory design of export units

Literature appraisal proposes that the more an export sales unit makes effective use of territory design when drawing sales territories and develops sophisticated organizational structures, the higher the export sales outcomes are. Thus, proper territory design assists sales control systems in increasing their sales effectiveness.

3.3.5 Firm size

Literature synthesis suggests that the size of the firm can play a significant role in export effectiveness as large firms can obtain higher financial resources, dedicate more

human resources to export activities and can be more competitive in the global market arena as they have achieved economies of scale for their productions.

3.3.6 Theoretical acceptances

The above acceptances of literature synthesis suggest a positive relationship between export sales effectiveness and the following variables:

- Behaviour-based control of sales management in export units
- Outcome-based control of sales management in export units
- Reward and compensation schemes for salespeople within export units
- Sales territory design of export units
- Firm size

3.4 Basic Theory

The basic theory is the outcome of the critical appraisal and synthesis of the literature (Wallace and O'Farrell, 2014). In this research, the basic theory relies on the proposed export sales effectiveness conceptual framework. The basic theory is defined as follows:

In export sales units, the outcome- and behaviour-based control of sales management, reward and compensation schemes for salespeople, sales territory design satisfaction, and firm size in export sales units are functions that affect export sales effectiveness.

3.4.1 Research Question

The derived research question is:

In export sales units, is there a relationship between outcome- and behaviour-based control of sales management, reward and compensation schemes for salespeople, sales territory design satisfaction, and firm size in export sales units and export sales effectiveness?

3.4.2 Research aims and objectives

The research aim is:

To evaluate the effect of the outcome- and behaviour-based control of sales management, reward and compensation schemes for salespeople, sales territory design satisfaction, and firm size in export sales units on export sales effectiveness.

The research objectives are:

- To evaluate the effect of behaviour-based sales control on export sales effectiveness
- To evaluate the effect of outcome-based sales control on export sales effectiveness
- To assess the relationship between reward and compensation for salespeople and export sales effectiveness.
- To determine the relationship between sales territory design satisfaction and export sales effectiveness.
- To evaluate the role of firm size in export sales effectiveness.

3.4.3 The research and operational hypotheses

The research hypothesis is:

Null Hypothesis: *There is no relationship between outcome- and behaviour-based control of sales management, reward and compensation schemes for salespeople, sales territory design satisfaction, and firm size in export sales units and export sales effectiveness.*

Alternative Hypothesis: *There is a relationship between outcome- and behaviour-based control of sales management, reward and compensation schemes for salespeople, sales territory design satisfaction, and firm size in export sales units and export sales effectiveness.*

The operational hypotheses that reflect the basic outcomes of the literature synthesis are demonstrated as follows:

Hypothesis 1:

Null Hypothesis: *There is no relationship between behaviour-based control of sales management in export sales units and export sales effectiveness.*

Alternative Hypothesis: *There is a relationship between behaviour-based control of sales management in export sales units and export sales effectiveness.*

Hypothesis 2:

Null Hypothesis *There is no relationship between outcome-based control of sales management in export sales units and export sales effectiveness.*

Alternative Hypothesis: *There is a relationship between outcome-based control of sales management in export sales units and export sales effectiveness.*

Hypothesis 3:

Null Hypothesis *There is no relationship between reward and compensation schemes for salespeople within export units and export sales effectiveness.*

Alternative Hypothesis: *There is a relationship between reward and compensation schemes for salespeople within export units and export sales effectiveness.*

Hypothesis 4:

Null Hypothesis *There is no relationship between sales territory design satisfaction in export units and export sales effectiveness.*

Alternative Hypothesis: *There is a relationship between sales territory design satisfaction in export units and export sales effectiveness.*

Hypothesis 5:

Null Hypothesis *There is no relationship between firm size and export sales effectiveness.*

Alternative Hypothesis: *There is a relationship between firm size and export sales effectiveness.*

3.5 Conclusion

Having synthesized the existing literature on the factors that affect the export sales effectiveness, the basic theory has been developed with these factors. Research aims and objectives have been clearly set along with the development of main and operational hypotheses. These hypotheses are tested in the pilot and main study of this research to confirm or not the basic theory. Before testing these hypotheses, it is imperative to discuss the methodological underpinnings that are followed in this research and the research instruments regarding structure and design. These issues are discussed in the following chapter.

Chapter 4: Research methodology

4.1 Introduction

Following the examination of the existing literature on SFCS especially in exports and the formation of the theoretical framework based on a literature synthesis; this chapter explains the methodological aspects that are followed for testing the proposed framework. It provides an insight into the philosophical research paradigm, a discussion on the undertaken research methodology and a presentation of the data collection methods used in the pilot study and main research. In particular, argumentation is presented for the chosen methodological paths; critical realism in terms of ontology, post-positivism in terms of epistemology, realism in terms of axiology and data collection. Concerning the research process, the exploratory approach is being used in this research and relevant argumentation is provided. Regarding the research logic, the deductive approach is adopted providing the main reasons for such a choice. Additionally, the main research techniques that are employed in this research are presented; (1) in-depth interviews with export sales managers, and (2) questionnaires distributed to export sales managers and salespeople along with the sampling frames used. Finally, the main research instrument (questionnaire) is being presented including a discussion of the measurement scales used.

4.2 Research Definitions

'Methodology refers to the theory of how research should be undertaken' (Saunders *et al.*, 2012:3). For this reason, a discussion of the main research terminology of the existing research literature is imperative before evolving to the research methodology. Management research differentiates in some ways in comparison to general research term. Research is defined as *'a careful study or investigation, especially in order to discover new facts or information'* (Oxford Dictionary). On the contrary, management research can be defined as *'systematic research to find out things about business and management'*. Despite the fact that both terms seem to be similar, there is an obvious difference regarding operationalisation. Taking into consideration several debates on research management theory (Hodgkinson *et al.*, 2001; Easterby-Smith, Thorpe and

Jackson, 2008), it can be clearly supported that apart from research findings that evolve existing knowledge, management research needs to be directed towards practical business issues and managerial implications. Therefore, it is strongly recommended that scholars undertake management research by engaging both the theory and practice (Saunders *et al.*, 2012).

In sales research, ongoing debate within the research community has argued that there is a lack of consistent methodological perspective (Lee and Ahearne, 2012). Despite Churchill's (1979) breakthrough in marketing research, this has not been quite influential to sales research scholars (Lee and Ahearne, 2012) as most of the papers have not followed a rigorous methodological background. It is evident that a potential theory testing should be relied on an appropriate methodology (Saunders *et al.*, 2012). However, within the sales management community, there is a gap on the consistency of the methodologies used. The Journal of Personal Selling and Management, a leading journal on sales management, invites scholars to raise these methodological issues that underpin sales research and create further awareness among sales researchers (Lee and Ahearne, 2012). Leonidou and Katsikeas (2010) provide a comprehensive, integrated assessment of exporting research articles and demonstrate the extensive variety of methodological aspects both regarding problem crystallization and variable association. Having in mind the above inconsistencies in existing empirical studies, this research tries to eliminate the methodological inconsistencies found in previous empirical studies.

4.3 Research Paradigm and philosophy

Before providing the details of research methodology, it is essential to refer to the research philosophy that dominates this research and clearly define the main philosophical aspects of this research. The research 'Onion' as suggested by Saunders *et al.* (2012) is a comprehensive framework for management and sales research in particular. It thoroughly provides the research definitions below:

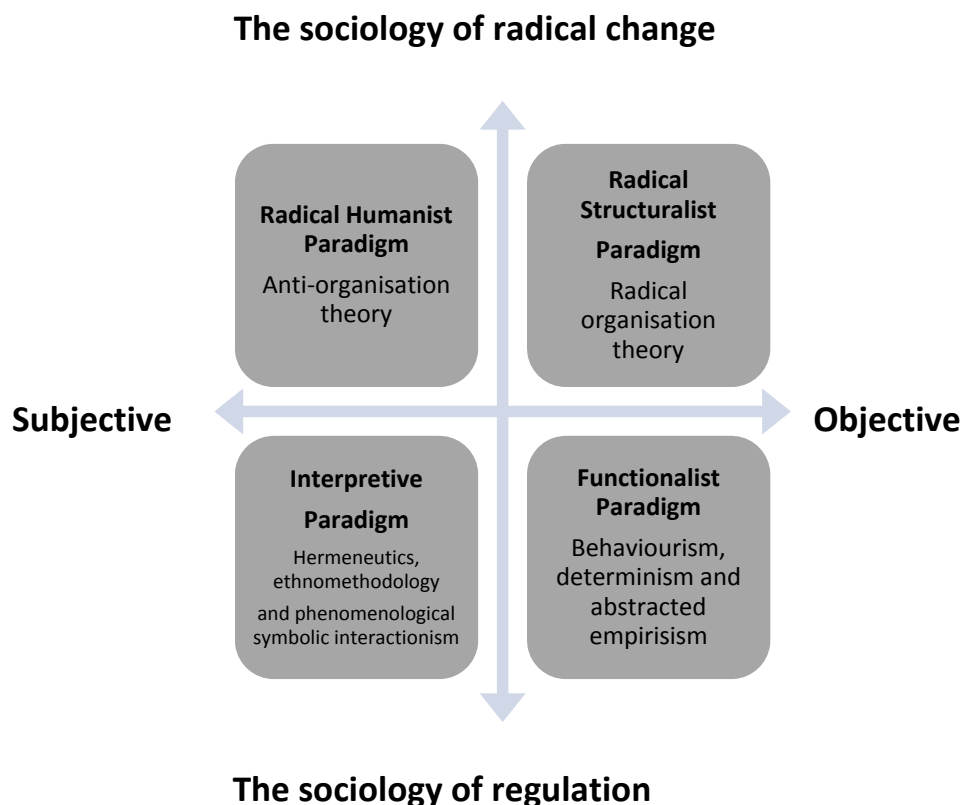
- Research paradigm is the way we examine social phenomena from which particular understandings of these phenomena can be gained and explanations attempted.

- Research philosophy contains the assumptions about the way a researcher sees the world and advocates the research directions that a researcher can choose.
- Research approach concerns the design of the research project.
- The research strategy is the way of research implementation.

4.3.1 Research Paradigm and Philosophy

The concept of paradigms has been considerably influential in management research over the last decades. On the grounds of Kuhn's (1962) initial approach to paradigm theory, Burrell and Morgan (1982) have claimed that a group of researchers follows incompatible patterns within a single paradigm. Their first approach was to categorize a set of fundamental paradigms: radical humanist paradigm, radical structuralist, interpretive paradigm and functionalist paradigm (Figure 4.1). Since then, there has been a continuous argumentation by academics for the gradual substitution of this term with other terms such as theory, discipline, and perspective (Hassard, 1988; Hassard and Kelemen, 2002).

Figure 4.1 Social theory paradigms (Source: Burrell and Morgan (1982) Sociological Paradigms and Organisational Analysis.)



Despite the paradigm wars which have been explicitly reviewed by several researchers (Burrell, 1996; Hassard and Kelemen 2002), paradigms are still influential in research methods. Several textbooks on management research illustrate the metatheoretical assumptions of research methodology and its philosophical underpinnings (Saunders *et al.*, 2012; Easterby-Smith *et al.*, 2008; Hallebone and Priest 2009; Silverman 2010). Some researchers go beyond the initial theories developed by Kuhn (1962) and Burrell and Morgan (1979) and suggest various frameworks for how we look at reality. On the grounds of the research definition that a paradigm is a framework of beliefs, views and values which are shared by the members of an academic community (Bryman and Bell, 2011), Silverman (2010) propose several frameworks e.g. positivism and their assumptions towards research question, theory, problem and methodology. Similarly, Gill and Johnson (2010) rename frameworks as ‘modes of engagement’ towards management research and illustrate them as positivist, neo-empiricist, critical theory and pragmatism.

Taking into consideration the approach of theory development, two major schools of thought exist within the sales management research. The deductive approach which is represented by positivist paradigm and the deductive approach represented by interpretive or phenomenological paradigm (Saunders *et al.*, 2012; Easterby-Smith *et al.*, 2012). The inductive approach also considers several forms of additional paradigms; critical theory, realism and constructivism (Gill and Johnson, 2010). Saunders *et al.* (2012) have illustrated a comparison of four major research philosophies in management research with its interconnected assumptions: ontology, epistemology axiology and research methods (Table 4.1). Using this comparison as a roadmap for the justification of the undertaken research, the main application of the philosophical underpinnings of this research can be deduced.

It is evident that SFCS research has been explicitly dominated by the positivist paradigm following a mainly deductive approach in theory development widely influenced by the theory of Anderson and Oliver (1987) and the use of extensive quantitative research (Panagopoulos *et al.*, 2011). However, there are limited studies relied on the interpretivism paradigm of the Jaworski’s (1988) conceptualization. This research follows a post-positivist paradigm due to its fundamental influence by Anderson and Oliver’s conceptualization. Regarding ontology, the research has been relied on realism - objectivism, which may be probabilistically apprehended; where the

researcher is objective, but interprets data through social conditioning (critical realist) (Table 4.1). Triangulation from many sources is imperative in this case involving in-depth interviews (Easterby-Smith *et al.*, 2012). For the reason above, the use of in-depth interviews is employed in the pilot study and the use of questionnaires in the main study of this research.

Regarding epistemology, as most of SFCS research relies on Anderson and Oliver's conceptualization, the positivist approach is dominant. It seems that SFCS research has been focusing on the causes of observable phenomena through data collection and formal theory testing through the development of hypotheses. Empirical studies, which represent more than 70% of published literature are relied on hypotheses development and testing by accepting or rejecting research theory (Plouffe and Barclay, 2007; Panagopoulos *et al.*, 2011). SFCS research in the context of exports follows a positivist epistemological approach and all empirical studies of SFCS (without exceptions) rely on theory development and hypothesis testing. Hence, this research is influenced by the post-positivist approach, and the researcher's belief relies on the fact that observable phenomena can provide credible data and facts, but the professional background, knowledge and values of the researcher can influence what is observed (Saunders *et al.*, 2012).

Concerning axiology, it is conspicuous that all published SFCS research within an export context relies on empirical studies conducted by academics following a value-free way research; where researchers are independent and preserve an objective stance on data by following a positivist approach. However, in this research, it is unclear whether the researcher can be independent as the researcher is biased by world views, local cultural experiences (Greek export market) and his main profession in the same with the one of the focus groups that are examined (export sales manager). Therefore, it is more likely for the research to follow a post-positivist approach (critical realism) rather than a positivist approach. This stance is enhanced by the fact that the nature of the research has grounds on a Doctorate of Business Administration (seeking more applied research) rather than a traditional Ph.D. (seeking more pure research).

From the analysis of 1,270 sales research manuscripts, a significant number of studies (48.7%) were found non-theoretical; lacking any theoretical background or conceptualization (Plouffe and Barclay, 2007). Similarly, Leonidou and Katsikeas

(2010) suggest that the problem crystallization of export research is more exploratory (54.2%) rather than formalized (45.3%) in the period 1960 - 2007. However, on the one hand, there is a diminishing trend of exploratory studies (from 86.7% within 1960-1979 to 29% within 2000-2007), and on the other hand, an increasing trend of formalized studies (from 10% within 1960-1979 to 71% within 2000-2007).

Table 4.1 Comparison of four research philosophies in management research

	Positivism	Realism	Interpretivism	Pragmatism	Application in this research
Ontology: <i>the researcher's view of the nature of reality or being</i>	External, objective and independent of social actors	Is objective. Exists independently of human thoughts and beliefs or knowledge of their existence (realist), but is interpreted through social conditioning (critical realist)	Socially constructed, subjective, may change, multiple	External, multiple, view chosen to best enable answering of research question	Critical realism. It concerns the understanding of complex relationships for theory development.
Epistemology: <i>the researcher's view regarding what constitutes acceptable knowledge</i>	Only observable phenomena can provide credible data, facts. Focus on causality and law like generalisations, reducing phenomena to simplest elements	Observable phenomena provide credible data, facts. Insufficient data means inaccuracies in sensations (direct realism). Alternatively, phenomena create sensations which are open to misinterpretation (critical realism). Focus on explaining within a context or contexts.	Subjective meanings and social phenomena. Focus upon the details of situation, a reality behind these details, subjective meanings motivating actions	Either or both observable phenomena and subjective meanings can provide acceptable knowledge dependent upon the research question. Focus on practical applied research, integrating different perspectives to help interpret the data	Positivism. The study focus on causality and observation of relationships among variables.
Axiology: <i>the researcher's view of the role of values in research</i>	Research is undertaken in a value-free way, the researcher is independent of the data and maintains an objective stance	Research is value laden; the researcher is biased by world views, cultural experiences and upbringing. These will impact on the research	Research is value bound, the researcher is part of being researched, cannot be separated and so will be subjective	Values play a large role in interpreting results, the researcher adopting both objective and subjective points of view	Realism. The researcher is bias by world views, as he is a professional with presonal experience in export sales management.
Data collection techniques most often used	Highly structured, large samples, measurement, quantitative, but can use qualitative.	Methods chosen must fit the subject matter, quantitative or qualitative	Small samples, in-depth investigations, qualitative	Mixed or multiple method designs, quantitative and qualitative	Realism. Both qantitative and qualitative which are chosen on the basis of the subject matter

(Drawn from the examination of literature)

As the progress of sales researchers using theoretical assumptions in their studies is increasing, it becomes imperative for the sales research (in particular the underpinned research) to be relied on certain conceptualizations. Therefore, considering the above research philosophical assumptions, this research follows a radical structuralist paradigm relied on the suggested four fundamental paradigms by Burrell and Morgan (1982). The research aims to achieve the fundamental knowledge through the examination of the power relationships that exist within export SFCS among salespeople and sales managers and how these relationships affect export sales effectiveness. Therefore, its approach towards research methodology is objective, which is the most suitable for the chosen paradigm (Saunders *et al.*, 2012; Gill and Johnson, 2010).

4.3.2 Research Purpose (*Exploratory and explanatory research*)

Academics have proposed several terms to describe the ‘research approach’ proposed by (Saunders *et al.*, 2012; Easterby-Smith *et al.*, 2012). A thorough research sub-classification has been suggested by Roberts and Wallace (2005) by offering four major classifications: purpose, process, logic and outcome. Research purpose is similar to the research approach, sub-classifying into two main categories: exploratory and explanatory. It is essential to understand why a research needs to be conducted and to understand the nature of facts discovery.

On the one hand, exploratory research is mainly focused on the identification of the relationship between two variables; on the other hand, the explanatory research seeks for patterns or hypotheses that exist mainly through observation and without empirically testing formal theory (Saunders *et al.*, 2012). Table 2.2 clearly demonstrates that all empirical studies on SFCS in the context of exports have followed an exploratory approach by exploring Anderson and Oliver’s (1987) conceptual variable and the relationships among them.

Hence, as the purpose of this research is to identify the relationships between organizational sales force effectiveness factors and export effectiveness, it rather follows an exploratory approach in term of research purpose.

4.3.3 Research Process (*Qualitative and quantitative research*)

Concerning, research processing two main categories coexist: qualitative and quantitative. Literature suggests that the choice of the appropriate research process is vital in research compatibility. Saunders *et al.* (2012) provide a framework of the most often used data collection techniques in each research paradigm relied on Burrell and Morgan (1982) fundamental conceptualization on research paradigms. Having in mind the research choices of positivist and realist philosophies, both processes (qualitative and quantitative) can be used. Nevertheless, positivism tends to follow a more highly structured approach in comparison to realism where both processes are acceptable, but they should be dependable on the research subject. Leonidou and Katsikeas (2010) reveal that the majority of export research studies (1960-2007) follow a survey communication mode (94.2%) rather than an observational communication mode (0.4%) where the overall majority of the studies are field - business based (94.6%). In this research, both quantitative and qualitative processes are being employed following the pattern of previously published empirical studies on SFCS research in the export context which seems to be the most appropriate as previously reviewed by the authors above (Table 2.2). The undertaken pilot study of this research is compatible with pilot studies of relevant empirical studies combining both qualitative processes (in-depth interviews with export sales managers and academics) and quantitative processes (draft survey questionnaires). Similarly, the main formal study relies on a quantitative process of the survey through the distribution of questionnaires to a large sample population of export sales managers and salespeople. It is evident that through the use of both research processes, a more thorough understanding of the research problem can be obtained. Through the combination of the processes, the researcher can achieve a better understanding of how sales managers perceive the contribution of SFCS on export effectiveness (qualitative approach) and meanwhile produce empirical evidence on the relationships between variables (sales force effectiveness factors) through the systematic and formal quantification of research (quantitative approach). In this way, the weaknesses of each process are balanced with the strengths of the other (DeReyter and Scholl, 1998) providing a profound view of the research problem.

4.3.4 Research Logic (*Deductive and inductive research*)

In concern to research logic, the deductive and inductive approaches have been dominating sales management research in particular. Bryman and Bell (2011) clearly define the differences between these two approaches in research logic; the inductive approach delivers the study findings from particular to general by inducing theory development, whereas the deductive approach focuses on the development of a conceptual, theoretical framework and tests this framework through empirical study. As the form of this research is empirical and relied on the observation of actual events through primary data collection, a deductive approach is adopted regarding research logic. It relies on the testing of existing theories of Anderson and Oliver conceptualization and the development of a formal theoretical framework on export sales force effectiveness and built in hypothesis relationships between sales force management control and export performance which are tested through empirical observation. A thorough knowledge and understanding of the relevant theory are required for a good empirical research. Empirical research must also be compatible with all existing theories so as to be able to generate valid findings (Easterby-Smith *et al.*, 2012). Having in mind these prerequisites for a valid research and the existing literature of SFCS in the export context (empirical studies), the deductive approach is the most appropriate for this research.

4.3.5 Research Outcomes (*Applied and pure research*)

Research outcomes determine the nature of any undertaken research. In applied research, research design focuses on the application of its findings to scientific problem solving research. Pure research, on the other hand, is less specific and seeks a broader understanding of research issues through observation without focusing on the application of research findings (Saunders, 2012; Easterby-Smith *et al.*, 2012). This research is applied regarding research outcomes, as research findings assist in the better understanding of the sales force effectiveness factors in the export context and seek to provide management application of the research question.

4.4 Research Techniques

Research techniques are a crucial part of methodology as they constitute the cornerstone for an appropriate materialization of management research. The sales management literature mainly relies on empirical studies (Panagopoulos *et al.*, 2011). Evidence provided by Carter *et al.* (2008) indicates that sales studies face increased difficulties towards completion in comparison to other marketing studies. Recent research has shown that 77% of empirical studies used a survey-based data collection methodology during the examined period 1983-2006 (Plouffe and Barclay, 2007). Similarly, Leonidou and Katsikeas (2010) have found that survey-based studies correspond to 94.2% of the overall export research studies published within the period 1960 – 2007. Additionally, a survey of sales scholars has shown that 59.5% rely mostly on survey-based techniques, imitating the predominant research pace (Plouffe and Barclay, 2007). Sales researchers focus on gathering perceptions either from salespeople (50.1%) or sales managers (13.9). A limited number of empirical studies have gathered data from both groups following a content analysis though the multi-informant approach (dyad method). The analysis of SFCS empirical studies in the export context (Table 2.2) shows that researchers have been focusing on the sales management perceptions. Apparently, most of them strongly recommend future studies to focus on gathering data both from senior managers and salespersons as suggested by Baldauf *et al.* (2005). The above methodology offers the advantage to study simultaneously control measures from various organization layers, especially concerning sales managers and salespeople by offering a more holistic approach (Piercy *et al.*, 2006).

Dillman (2000) argues that survey is a very efficient instrument of management research in understanding the complexity and perceptions of sales force systems. Regarding qualitative methodology, Plouffe *et al.* (2008) have identified that only 6.7% of sales researchers follow a qualitative method in their research approach. Nevertheless, Javalg *et al.* (2011) suggest that qualitative techniques offer several benefits for international sales researchers; providing greater insight into sales research problems which are mainly unstructured in nature. Case studies, in-depth interviewing, focus groups, observation, ethnography and phenomenology play a significant role in international sales research. In this research, a combination of qualitative and quantitative techniques is followed, as mentioned above in the research process, by using in-depth interviews with sales managers and draft questionnaires to salespeople in

the pilot study phase; survey based questionnaires to salespeople and sales managers in the main study.

4.4.1 In-depth interviewing technique

Literature suggests that in-depth interviewing is the most popular qualitative technique among SFCS studies (Table 2.2). It is the main technique used in the qualitative approach to seeking research findings in the pilot study phase before formal theory formation. Sales managers' perceptions, personal experiences and differentiated cultural backgrounds contribute to the exploration of the examined relationships among variable and enrich research regarding a better understanding of 'how' the complex sales systems are structured (Javalgi *et al.*, 2011). In this way, researchers can obtain a more holistic insight into the relationships between variables and formulate a formal theory.

From its initial taxonomy of interviews regarding structure; structured, semi-structured and unstructured or in-depth interviews, other classifications have been recently suggested. For unstructured interviews or in-depth interviews, Robson (2002) defined that informant interviews follow a more 'non-directive' way of interviewing, providing the space for the interviewee to speak freely regarding his perceptions. On the contrary, during the participant or respondent interview the interviewer directs the interview, and the interviewee replies to questions posed by the interviewer (Easterby-Smith *et al.*, 2008). In this research, during the pilot study, this technique is practiced so as to implement qualitative research, as it provides a better insight into what is happening and is more compatible and frequent in exploratory research (Robson, 2002).

4.4.2 In-depth interviewing technique – data quality issues

Cooper and Schindler (2008) suggest that it is rather likely to follow a qualitative in-depth interview technique in the data collection process within exploratory research. Similarly, this research in-depth interview method enables the researcher to explore any potential relationships among factors affecting export effectiveness. It is quite common to use this approach in interpretivism paradigm, but it can also be suitable for critical realism (driven in this research). Another important issue for the suitability of in-depth interviews with this research is the fact that the questions are rather complex and open-ended without following a specific order. In these cases, in-depth interviews are recommended (Easterby-Smith *et al.*, 2008; Cooper and Schindler, 2008).

Several data quality issues regarding reliability, validity and bias can be found in this form of an interview. The main issue concerns the reliability of research and whether the results would remain similar in case the researcher was an alternative one (Easterby-Smith *et al.*, 2008). Bias of interviewer and interviewee can be a significant obstacle during this technique of data collection. The way of interpreting responses by the interviewer and the misleading or mendacious information provided by the interviewee are the most important bias (Easterby-Smith *et al.*, 2008; Saunders *et al.*, 2012). There has been a lot of argumentation in the academic community regarding the level of reliability of semi-structured interviews. It is evident that replication of research findings is quite limited due to the dynamic and complex environment in which it is being conducted. However, it can contribute effectively to qualitative analysis, especially in exploratory studies (Easterby-Smith *et al.*, 2008; Cooper and Schindler, 2008; Saunders *et al.*, 2012).

Towards the elimination of the data quality inconsistencies above, Saunders *et al.* (2012) provide a thorough framework of ‘*musts*’ during interview preparation. In this research, this framework has been followed so as to eliminate any bias as much as possible. A summary of the disciplines of this proposed framework is outlined below and have been considered during primary data collection:

- The researcher must have a good knowledge of the research topic and the situational context in which the interview takes place.
- The researcher should be able to have a good level of information supplied to the interviewee to provide time to interviewees to prepare for the interview with any supportive documentation required.
- The researcher should choose a location which is convenient for the participants, so as to feel comfortable and where the interview is unlikely to be disturbed.
- The researcher’s appearance should be compatible with the appearance of the interviewee as it may affect his perception.
- The researcher should make a proper introduction at the beginning of the interview.
- The researcher should pose questions clearly, in a neutral tone and practice terms (not theoretical).

- The researcher should remain as neutral as possible during the interview.
- The researcher should demonstrate attentive listening skills.
- The researcher must be aware of any cultural differences that may exist between interviewer and interviewee.

4.4.3 In-depth interviewing technique – sampling frame

The significance of appropriate sampling in each research technique has been extensively argued within the research community (Easterby-Smith *et al.*, 2008; Cooper and Schindler, 2008; Saunders *et al.*, 2012). Regarding unstructured or in-depth interviews quota sampling is considered the most appropriate sampling technique for interview surveys. Quota sampling is non-random sampling relied on the presupposition that the sample represents part of the population. However, quota sample is ideal for large samples of 2.000 to 5.000 populations (Saunders *et al.*, 2012). In exploratory research, as it stands for this research as well, purposive or judgmental sampling is one of the choices of non-probability sampling techniques, which allows the researcher to judge the cases that satisfy research question and meet research objectives (Saunders *et al.*, 2012). Homogeneous sampling, a subcategory of purposive sampling technique, offers the advantage of examining a sample of the population, which has the same characteristics in depth and provides insights into the research problem. Despite the low likelihood of the sample being representative, it purely depends on the researcher's choice whether the samples are representative or not (Easterby-Smith *et al.*, 2008; Saunders *et al.*, 2012). In this research, a purposive sampling technique is followed by the selection of a particular group (export sales managers), at least, one export sales manager from each main Greek export sector (agricultural, raw materials, combustibles and industrial). In this way, a representation of all main export sectors is included so as to examine whether any inconsistencies exist between export managers' perceptions that work in different sectors.

Considering the number of exploratory interviews of a pilot study conducted in previous SFCS empirical studies (Table 2.2), the maximum number of in-depth interviews used is rather small (up to 20). It is evident that there is an increasing number of surveys that sales managers are asked to participate over the last decade, creating an increased reluctance for them to respond. However, a minimum number of 4 in-depth participant interviews with export sales managers, one from each examined sector: agricultural, raw

material, combustibles and industrial manufacturing is targeted. The purpose of the interviews is to obtain managers' perceptions of the role of SFCS towards export effectiveness. In the case of no reiteration of research findings; where results cannot be clarified and unified, a larger sample will be obtained from in-depth interviews till research findings can be summarized, and decent knowledge can be obtained within the limited time constraints of the research program. It is evident that research finding may not be representative of the overall population. However, this sampling technique offers a deep understanding of the complexity of SFCS and how they work and can verify or contradict the principles of the proposed theoretical framework of export sales force effectiveness.

4.4.4 Survey-based technique (Questionnaires)

As mentioned above, the survey-based technique is considered the most popular in export sales research as more than 60% make use of postage mailing in data collection (Leonidou and Katsikas, 2010). Questionnaires, in particular, are the most popular instrument in management research. Dillman (2007) suggests a comprehensive *Tailored Design Method* of how to construct and make use of questionnaires. It is conspicuous that all SFCS studies figured in Table 2.2 have been greatly influenced by this method which has been the fundamental tool of quantitative research. Despite Bell's (2005) argumentation that questionnaire construct is rather a difficult process to be obtained because trials are limited; through Dillman's *Tailored Design Method* a production of a good questionnaire can be obtained. As questionnaires are identically used in descriptive studies, by exploring the cause and effect relationships among variables, they can be successfully combined with other research techniques such as in-depth interviews. The mixed design method can offer additional reliability in research as it equilibrates the weaknesses of each method with the strengths of the other (Easterby-Smith *et al.*, 2008).

Several business research textbooks have argued for the plethora of questionnaire types regarding design, collection and distribution. Taking into consideration the comparison of the main types of questionnaires distribution as presented by Saunders *et al.* (2012:364), internet- or intranet-mediated and telephone techniques are the highest in confidence level. Additionally, internet- or intranet- mediated technique offer a very low likelihood of contamination or distortion of the respondent's answer which

eliminates research bias. However, response rates are rather low (11% or lower using the internet) in comparison with other techniques such as telephone, structured interviews (50-70%) or Postal (30%) which involves greater sample size to be examined. Needless to mention, internet- or intranet-mediated technique has the lowest time of collection (2-6 weeks), compared to postal (4-8 weeks) or telephone and structured interviews (which is dependable on sample size and other external parameters). For the above reasons, in this research an internet- or intranet-mediated technique is followed in the main study, as it offers a wide range of advantages; high confidence level, low contamination or distortion of respondent's answer and it is the least time consuming to be administered.

Concerning the disadvantage of this technique in low response rates through the internet, it can be argued that this is a general trend in both marketing and sales studies since the 1990s. Carter *et al.* (2008:413) suggest that this decline is quite linked with the fact that the '*median number of invites has been increasing over time*' from 1990 to 2005, leading to a '*decrease in participation rates*' respectively. Their empirical evidence has shown that the use of response facilitators can greatly offer higher response rates. Their study has evidenced that response rates are higher for studies utilizing incentives and follow-ups and has partially supported that response rates are higher for studies utilizing cooperation and pronouncements. Directed by this study, this research makes use of these response facilitators so as to obtain higher response rates. Table 4.3 illustrates the use of response facilitators as suggested by Carter *et al.* (2008). Taking into account the fact that cooperation has been partially reported as a strong facilitator in the pre-mentioned study, incentive facilitators are also used so as to offer higher likelihood in response rates increase. Therefore, a combination of two facilitators is followed. Despite the fact that this technique is suggested for a single company, obviously due to the costs involved in incentives compared to multiple companies, this is chosen for this research as it could offer potentially higher response rates and the costs involved are affordable for the researcher.

Table 4.2 Suggested Use of Response Facilitators by Study Design Scenarios

	Sales Sample		Non Sales Sample	
	Single Company/Not Purchased List	Multiple Companies/ Purchased List	Single Company/Not Purchased List	Multiple Companies/ Purchased List
Suggested Single facilitator	Cooperation	Preannouncement or follow up	Incentive	Preannouncement or follow-up
Suggested Combination of Two Facilitators	Cooperation and incentive	Preannouncement and follow-up or preannouncement and cooperation	Preannouncement and incentive or cooperation and incentive	Preannouncement and incentive or preannouncement and follow-up

Cooperation, defined as ‘*an official endorsement of the study from either the sponsorship client company or trade organization*’ (Carter *et al.*, 2008:408), is obtained through the support and sponsorship of this research from PSE (Greek Exporters Association). Additionally, incentives are defined as ‘any inducement provided to a respondent to complete the survey, including monetary incentives, small gifts, entry to a lottery or copy of study results’ (Carter *et al.*, 2008:408). The research offers these incentives, by donating one Euro per response to a Greek charity for children. This incentive is announced before respondents’ reply so as to provide additional motivation to respondents to participate.

4.4.5 Survey-based technique (Questionnaires) – data quality issues

Tailored Design Method (Dillman, 2007) suggests that the questionnaires should be designed according to the variable that needs to be examined; opinion, behaviour and attribute variables are the ones that exist in business research. Despite the carefulness of a questionnaire design, validity issues concerning content, construct and criterion-related may jeopardize the research process (Saunders *et al.*, 2012). Content validity is crucial for proper questioning, as it should provide adequate coverage of the investigated issue. Validity regarding construct pertains to whether questions, measure the variable that needs to be measured. Additionally, criterion-related validity concerns the possibility of questions to make predictions that can be generalized.

Regarding reliability inconsistencies, a respondent’s misinterpretation of questions is considered to be the most significant. Mitchell (1996; cited in Saunders *et al.*, 2012) proposes the use of alternative questioning (check questions) within the same questionnaire so as to test whether misinterpretation exists. In this research, an effort to

eliminate these reliability and validity inconsistencies are given, through the awareness of these issues during the questionnaire design and the use of some check questions so as to offer greater reliability in responses. Further details of these issues are presented in the following section of this chapter.

4.4.6 Survey-based technique (Questionnaires) – sampling frame

As discussed earlier, the selection of an appropriate sample technique is crucial to the success of a research program. Needless to mention, dependable on the research questions and objectives, the suitability of sample use is significant in providing generalizations and hypotheses for the entire population. Probability (representative sampling) and non-probability sampling techniques have been extensively argued for their pros and cons against their reliability, validity and likelihood to represent the overall population (Easterby-Smith *et al.*, 2008; Cooper and Schindler, 2008; Saunders *et al.*, 2012). It is evident that the choice of a sampling technique largely relies upon the nature of the research. Explanatory research tends to make use of probability sampling techniques; on the contrary, exploratory research uses more often non-probability sampling techniques (Saunders *et al.*, 2012). The need for a sample selection is imperative, in cases of a large population where information is rather difficult to be collected. Existing empirical studies (Table 2.2) have relied upon the stratified random sampling technique. As it could be understood the population was quite large more than 10.000 registered businesses in the UK and US commercial databases, the need for a sample selection was imperative to make the research feasible in implementation. The use of databases has received a lot of criticism due to their data provision which is usually incomplete, not updated and inaccurate (Edwards *et al.*, 2007). Nevertheless, a database is a useful tool for selecting a sampling frame in case the database represents as much as possible the overall population. In this research, the database of registered companies in the Pan-Hellenic (Greek National) Exporters Association is used as a sampling frame. The following parameters have been provided by the Association, so as to avoid any inconsistencies in sample representation:

- 1,500 registered exporters
- Representation of 1/3 of the overall population (about 4,500 exporters)
- Representation of the 80% of overall Greek export activity

Having in mind above parameters, it can be understood that the sample frame represents the majority (80%) of the overall export activity, meaning that most of the registered companies are the most efficient and active in exports. On the contrary, non-registered companies could offer additional insights and could contribute further to research. Other databases that the sampling frame could obtain includes the Sales Institute of Greece (1,000 registered companies), the Cretan Exporters Association (160 registered companies located in Crete) and the Greek International Business Association of Northern Greece (600 registered companies located in Northern Greece). However, the possibility of the same company, being registered in more than one database could lead to measurement and consequently validity bias and interfere with the research findings. It could not be overlapped unless anonymity in replies was not provided. Sales Institute of Greece counts a significant amount of registered companies but with no indication of their exporting activity. Additionally, the Cretan Exporters Association and Greek International Business Association of Northern Greece have local perspective, by concentrating on particular geographical areas of Greece.

The size of the sampling frame (1,500 registered companies) is similar to the size of previous empirical studies figured in Table 2.2. Therefore, the database of Pan-Hellenic (Greek) Exporters Association is chosen for the survey-based technique (questionnaires), as it stands the most suitable with national coverage and good elements of representation. Referring to sampling techniques, a probability sampling technique could be chosen so as to eliminate further time constraints. Due to the regular number of registered companies and the fact that the survey is web-based (avoiding extra administration and time resources); the whole sampling frame is selected.

4.4.7 Ethical considerations

Bryman and Bell (2015) provide a thorough understanding of ethical considerations for interviews and questionnaires regarding confidentiality, privacy, and informed consent. During the pilot and main study, the author took the necessary measures to ensure that the procedures of the HW Postgraduate Research Student Code of Practice were followed. In particular, the research participants were informed of the voluntary role of their participation in the underpinned research. Key informants were assured that the data would remain confidential (commercially sensitive) and would be used only for the research purpose. They had time to withdraw from the interview or the questionnaire at any time they wished to do so. Key informants that participated in the interview phase

were asked before the interview whether they would like to be recorded or not. Recorded interviews have been cross-checked with interviews and the participants were informed of their right to request an audio-taped copy. A cover page of the web-based questionnaires informed participants of the confidentiality of the data collected that are used only for the purpose of this research. The researcher also ensured data safety, the protection of the identity of all interviewees if they have expressed this will and the maintenance of confidentiality and security of information. Safekeeping and the location of tapes and transcripts were explained, and it is the author's responsibility to ensure that data are retained and well protected.

4.5 Research Instrument

This section describes the research instrument that is used for the implementation of the pilot and the main study. The pilot study makes use of five in-depth interviews with sales managers as the main qualitative data collection tool. Apart from this, questionnaires of sales managers and salespeople are reviewed by the interviewed export sales managers and some export related salespeople (8). Finally, some academics have reviewed the questionnaire as well for its consistency and compatibility with reviewing literature. In the main study, the research instrument for the quantitative data collection relies on a survey questionnaire (previously reviewed in the pilot study) that is distributed via a web link to export sales managers and salespeople, following the methodological procedure described in the previous chapter. An illustration of the in-depth interview and questionnaire design is also presented along with the ways in which data are analyzed in each method.

4.5.1 In-depth Interviews – Design and analysis

Referring to interview, the scope focuses on the validation and investigation of any questionnaire results' contradiction. In-depth interviews are an effective research tool for qualitative research. This research instrument is used in the pilot study phase to investigate the sales force effectiveness factors that sales managers perceive as important and to verify the literature review and the suggested theoretical framework. It provides the insights into SFCS literature within the export sales managerial perspective.

The existence of various data quality issues concerning in-depth and semi-structured interviews, regarding their reliability, occurred bias and validity have been extensively argued by many academics (Easterby-Smith *et al.*, 2008; Saunders *et al.*, 2012) in the previous chapter. Regarding the process followed during the in-depth interviews, the framework of ‘musts’ proposed by Saunders *et al.* (2012) was followed.

Regarding the number of the interviews, the overall number of conducted interviews was five (5). At the beginning of the research process, the minimum number of interviews that was targeted was four (4); one for each export industry explored. However, the process moved further till the responses on the main topics were alike, with no new insights revealed and (5) interviews were obtained. In exploratory studies, the number of the interviews is not so much important, as it can be representative of the overall population by no means. The most important through this method is to obtain what is happening and seek new insights (Robson, 2002) that can boost further the research findings that are tested in the quantitative research. It can also be argued that existing relevant empirical studies (Table 2.2) do not mention or provide limited information on the qualitative method used in their research process (only one study mentions the conduction of 20 in-depth interviews with export executives).

All interviewees had been asked before the interview (during interview arrangements) whether they wished to be recorded or not, so as the interviewer was prepared accordingly. Two (2) out of five (5) interviews were recorded using a tape recorder machine and notes were taken after the interview (tape records are available upon request). Verification of the notes by one of the interviewees is presented in Appendix B1.7. Three (3) out of five (5) interviews were not recorded due to the reluctance of the interviewees to be recorded. Therefore, an arrangement was made, and an amanuensis (sales manager’s assistant) was employed to take notes and submit them at the end of the interview. Notes were transcribed in the Greek language and translated into the English language, and both notes were verified and confirmed by both interviewer and interviewee. A sample of the verification of the notes taken, by one of the interviewees, is presented in Appendix B1.6. Meanwhile, during all the conducted five (5) interviews, the interviewer was also taking basic notes so as to have a second copy of the discussion in case a problem occurred with both tape recorder and amanuensis’ notes. One transcript is available for each interview style (Appendices B1.6- B1.7).

In practice, all five interviews were conducted in the Greek language. The use of the native tongue provides the higher participation of the interviewee and willingness to reveal more information as a foreign language can be an obstacle to the expression. It is also notable that potential misunderstandings may appear between words expressed in a foreign language where their meaning in the native tongue can differ. Therefore, validity issues are the main concern in in-depth interviewing where the meanings of the responses are probed carefully, and topics are discussed from a different angles and scopes.

Interviews were translated into English by the interviewer. It is evident that there may be translation bias during this process which consequently may affect the content-concordance analysis. However, the overall impact of the interviewees expressing themselves in their mother tongue has offered several insights into the qualitative part of this research, which may not have been revealed by using a foreign language.

Qualitative analysis is performed through content-concordance analysis and subjective analysis. Wallace and O'Farrell (2013) suggest the use of content-concordance analysis in the interview data analysis so as to classify the content according to the factors as proposed in the main theoretical framework. Therefore, a formal content analysis is used to decode and quantify factor occurrences. Examination for any reactance and bias is conducted to support pilot research findings.

4.5.2 Theoretical Framework of Research Instrument (Questionnaire)

Regarding measures, the variables explored are all four sales force control dimensions: monitoring, directing, evaluating, and rewarding that are followed by Anderson and Oliver's (1987) conceptualization. This research methodology follows a widely used research pattern of validating research findings of published empirical research works. Table 2.2 indicates that two out of four empirical studies (50%) have examined all four control dimensions. On the contrary, the Bello and Gilliland (1997) study explores two variables only (monitoring and directing). Similarly, Theodosiou and Katsikea (2007) examines these two dimensions (monitoring and directing) and another one as well (evaluating). These inconsistencies exist because every research paper may concentrate on one or more sales force control dimensions. In this research, as the research question

concentrates on the impact of the overall SFCS on export effectiveness, all four control dimensions are examined.

Concerning measurement scales, previous empirical findings have been relied on Babakus *et al.*, (1996) measurement scale which has obtained wide acceptance by the academic community. From his original version of 25 items in the scale which have been measured, several studies have been employed since a limited number of 7 up to 25 measurement items. A validation study by Panagopoulos and Avlonitis (2008) which evaluates the Babakus' measurement scale and its use in 24 empirical studies suggest that a shortened 13 item measurement scale performs better in comparison to the original full version. In this research, a mixture of these measurement scales is used for the purpose of producing reliable and valid findings.

4.5.3 Research Instrument (Questionnaire) – Design and Analysis

Selecting and designing a questionnaire is a very demanding and challenging research process as the chances of selecting data are usually unique. Therefore, the design should be appropriate, and validity, reliability and measurement biases must have been considered. Most empirical studies (Table 2.2) tested the questionnaires on a small sample to test the feasibility of obtaining accurate data and decent research findings. In this research, along with in-depth interviewing during the pilot study, a set of questionnaires is distributed to a sample of export sales managers and export related salespeople to test their consistency. The following chapter discusses the research findings from this process.

About the questionnaire, to offer valid measurement scales, the use of existing measurement scales has been chosen that have been derived from existing empirical studies. These scales (Cravens *et al.*, 1993; Babakus *et al.*, 1996) are the most relevant to the Anderson and Oliver's (1987) conceptualization that this research follows. Moreover, these scales have also been used by similar studies that have examined SFCS in the context of exports (Table 2.2). However, some of these scales have been modified so as to be more compatible with the export sales context that this research focuses.

Concerning analysis, research consistency and reliability of research findings is investigated relied on a Cronbach alpha analysis of salespeople and managers'

responses. Nunnally (1978) recommends coefficient alpha to be greater or equal to 0.6. Then, correlation coefficient analysis is implemented to show the relationships among variables. Regarding descriptive statistics, a comparison between the two samples – respondent groups (salespeople and sales managers) is attained to obtain a better understanding of the gathered data and identify any potential differences that may exist between groups. Furthermore, a Levene's Test for Equality of Variances is performed to reveal any differences in the variability of measurement constructs between the two groups. Then a principal component analysis (PCA) is displayed so as to extract the components from multi-variables that are used in inferential statistics. This technique has frequently been used by relevant empirical studies (Table 2.2) as it specifies the set of components that are highly inter-correlated (Hair *et al.*, 2010) and it is mostly used as a tool in exploratory data analysis and for making predictive models. A correlation matrix is then used to investigate important correlations among extracted variables in the overall sample, but also between high- and low-performing export firms. Hypothesis testing is performed through the use of regression analysis and multiple discriminant analysis by comparing the high- and low-performing export firms so as to determine any possible differences between sales force effectiveness variables. Finally, the use of a moderation analysis may show the effects of each variable of the test hypotheses regarding export performance intensity (high and low export efficient firms).

4.5.4 Export Sales Effectiveness

A latest exploratory study points out the differences of views about export performance between practitioners and scholars, by suggesting that Brazilian export managers perceive as narrow their perception towards export performance compared to academicians (Carneiro *et al.*, 2015). This study suggests that the use of a universal conceptual model for the measurement of export performance is not applicable in all studies, and it depends on the research scope (action of problem-driven).

Combining the measurement models of Cravens *et al.* (1993) and Babakus *et al.* (1996) and employed by Piercy *et al.* (2004) and Hultman *et al.* (2011) which are problem driven and compatible with current empirical work, the following scale is used in the questionnaires for export managers. Export performance against major competitor in the past 24 months (1 = 'Much worse', 2 = 'Worse', 3 = 'Little worse', 4 = 'Same', 5 =

‘Little better’, 6 = ‘Better’, 7 = ‘Much better’ including a ‘Don’t Know’ option for respondents that cannot evaluate the export performance)

1. Sales Volume
2. Market Share
3. Profitability
4. Customer satisfaction

However, the above measurement scales are quantitative measures of sales effectiveness measuring the results attained in a form of review and not compared to any goals set by the firm. Therefore, some additional qualitative measures should also be considered as suggested by Darmon and Martin’s (2011) framework to examine the evaluation of the company’s sales results in comparison to its sales plans:

1. New accounts
2. Lost accounts
3. Number of customer complaints
4. Time taken to deal with customer complaints
5. Feedback on customer complaints

By this way, sales effectiveness is measured on the grounds of firm’s capability to achieve its targets or plans in sales oriented activities. Therefore, the export performance is measured against the company’s sales plans in the past 24 months, by using the following elements on a similar scale: 1 = ‘Much worse’, 2 = ‘Worse’, 3 = ‘Little worse’, 4 = ‘Same’, 5 = ‘Little better’, 6 = ‘Better’, 7 = ‘Much better’ including a ‘Don’t know’ option for respondents that cannot evaluate the export performance.

It is evident that some measurement bias may occur due to the inability of some respondents to know and evaluate company’s current performance due to limited access to corporate information. For this reason, the ‘don’t know’ option is being offered to cover these cases.

1. Sales Volume
2. Market Share
3. Profitability

4. Customer satisfaction
5. New accounts
6. Lost accounts
7. Time taken to deal with customer complaints
8. Feedback on customer complaints

The results of this construct are compared with the results of the measurement constructs:

1. Outcome control of sales management in export units
2. Reward and compensation schemes for salespeople within export units
3. The sales territory design of export units
4. The size of the firm
5. The export orientation of sales strategy
6. Sales management experience in exports
7. Behaviour control of sales management in export units

PCA is employed to show the structure of the measures. Cronbach alpha value analysis is employed to show the reliability of measures. Then the correlation coefficient analysis is employed to show the relationships among variables.

4.5.4 Behaviour control of sales management in export units in relation to Export Sales Effectiveness

Several measurement approaches have been addressed in the literature for the measurement of sales management control (Babakus *et al.*, 1996; Challagalla and Servani, 1996). Babakus' (1996) 25-item measurement scale (1 = 'not at all', 10 = 'to a great extent') relies on the Anderson and Oliver (1987) conceptualization and it is more appropriate to deploy in the particular research. A similar approach is followed in this research (19-item scale). But the use of a 7 level scale is employed, to avoid respondents' confusion (1 = 'Never', 7 = 'Very frequently'); by providing a 'not applicable' option as well for respondents that do not follow any of these management activities.

The export sales managers are asked to assess their management control over salespeople (self-evaluation) by using the following measurement scale. Similarly, sales persons are assigned to assess the extent of the undertaken activities performed by their sales manager.

To what extent do you:

Monitor:

1. Spend time with salespeople in the field
2. Make joint calls with salespeople
3. Regularly review call reports from salespeople
4. Monitor the day-to-day activities of salespeople
5. Observe the performance of salespeople in the field
6. Monitors to what extent salespeople travel
7. Closely watch salespeople's expenses
8. Monitors the credit terms those salespeople quote customers

Direct

1. Encourage salespeople to increase their sales results by rewarding them
2. Actively participate in training salespeople on the job
3. Discuss performance evaluations with salespeople
4. Help salespeople develop their potential

Evaluate

1. Evaluate the number of sales calls made by salespeople
2. Evaluate the profit contribution achieved by each salesperson
3. Evaluate the sales results of each salesperson
4. Evaluate the professional development of salespeople

Reward

1. Reward salespeople based on the quality of their sales results
2. Reward salespeople based on the quantity of sales results
3. Use incentive rewards as the major means for motivating sales people

Similarly to assess the results by using the dyad approach, research findings are cross-checked with salesperson behavioural performance. Piercy, Low and Cravens (2004) suggest a salesperson behavioural performance scale (1= 'needs major improvement', 7= 'Has outstanding performance') that relies on previously used scales of Anderson

and Oliver (1987), Behrman and Perreault (1982; 1984), Cravens *et al.*, (1993), John and Weitz (1989), Sprto and Weitz (1990). An additional item in this measurement scale is added (13. Adopt best selling approached by sales unit's within their sales territory) so as to obtain a more holistic approach to salespeople's behaviour performance. This scale is used in both questionnaires; for salespeople (by self-evaluating their performed activities) and for sales managers (by evaluating the average rate of the supervised salespeople's performed activities)

1. Have knowledge of the design and specifications of company products and/or services
2. Have knowledge of the applications and functions of company products and/or services
3. Communicating their sales presentation clearly and concisely
4. Work out solutions to customers' questions
5. Work out solutions to customers' objections
6. Work out solutions to customers' proposals
7. Being flexible in the selling approaches used
8. Elaborate selling approaches among customers
9. Planning the structure of each sale
10. Planning sales strategies for each customer
11. Providing the after-the-sale service
12. Handling customer complaints
13. Adopt best selling approached by sales unit's within their sales territory

PCA is employed to show the structure of the measures. Cronbach alpha value analysis is employed to show the reliability of measures. Then the correlation coefficient analysis is employed to show the relationships among variables.

4.5.5 Outcome control of sales management in export units in relation to Export Sales Effectiveness

Salesperson outcome performance is measured by a proposed measurement tool of salesperson's outcome performance of Piercy *et al.* (2004) with its original 7 level scale of (1= 'Needs major improvement', 7= 'Has outstanding performance'). This

measurement relies on previously similarly used scales of Anderson and Oliver (1987), Behrman and Perreault (1982; 1984), Cravens *et al.* (1993), John and Weitz (1989), Sprito and Weitz (1990). Two new constraints: (1) allocating sales time with customers efficiently, and (2) making the best recovery of pending accounts have been added, as suggested lately by Darmon and Martin (2011).

1. Producing a high market share for your company
2. Making sales of those products with the highest profit margin
3. Generating a high level of dollar sales
4. Quickly generating sales of new company product/services
5. Identifying accounts
6. Prioritising accounts
7. Selling to accounts
8. Producing sales or blanket contracts with long-term profitability
9. Exceeding all sales targets and objectives during the year
10. Allocating sales time with customers efficiently
11. Making the best recovery of pending accounts

This measurement tool is employed in both questionnaires for salespeople (by evaluating their performed sales activities) and for sales managers (by evaluating the average rate of salespeople's performed sales activities).

PCA is employed to show the structure of the measures. Cronbach alpha value analysis is employed to show the reliability of measures. Then the correlation coefficient analysis is employed to show the relationships among variables.

4.5.6 Reward and compensation schemes for salespeople in export sales units in relation to Export Sales Effectiveness

This construct is measured by employing a redacted version of the reward 7-item measurement scale (1 = 'not at all', 10 = 'to a great extent') by making use of the same elements that evaluate the export behaviour control strategy (Babakus *et al.*, 1996). The export managers are assigned to evaluate the extent of their rewarding activities with the use a seven-point scale (1 = 'never', 7 = 'very frequently'), and a 'Don't know' option.

Reward

1. Reward salespeople based on the quality of their sales results.
2. Reward salespeople based on the quantity of sales results
3. Use incentive rewards as the major means for motivating sales people

Meanwhile to optimize validity of research findings and gain a more holistic approach, salespeople are also requested to evaluate their reward schemes that they participate by using a 3-item and 7 point measurement scale (1 = 'Never', 7 = 'Very frequently' and a 'Don't Know' option):

1. Rewards you based on the quality of your sales activities
2. Rewards you based on the quantity of your sales results
3. Uses non-financial incentives to reward you for your achievements

PCA is employed to show the structure of the measures. Cronbach alpha value analysis is employed to show the reliability of measures. Then the correlation coefficient analysis is employed to show the relationships among variables.

4.5.7 Sales territory design of export sales units in relation to Export Sales Effectiveness

Babakus *et al.* (1996) have suggested an eleven-item scale (1 = 'very dissatisfied', 7 = 'very satisfied') measurement for this construct. Sales territory export design satisfaction may reflect the results of export sales effectiveness. Managers who are satisfied with the export sales effectiveness may also be satisfied with the sales territory export design. The only way to use a more objective measurement is through the theory of sales territory alignment, which could be tested, but results cannot be generalized as companies are from different sectors and workloads may differ a lot from industry to industry. Babakus' (1996) tool has been the only measurement tool used in the particular research field for the examination of sales territory design satisfaction within sales regions (Babakus *et al.*, 1996; Grant and Cravens, 1999; Piercy *et al.*, 1999; Piercy *et al.*, 2004; Katsikea and Skarmeas, 2003). Thus, this tool guides the measurement method for this construct. Nevertheless, to increase the level of data reliability and

eliminate measurement bias, a dyad methodology is employed by gathering data simultaneously from different organizational layers (salespeople and sales managers).

Therefore, the export sales managers, as well as the salespeople (dyad method), are assigned to assess their satisfaction towards the following variables by using a seven-point scale (1 = 'very dissatisfied', 7 = 'very satisfied'):

1. The number of accounts in my territories
2. The number of calls made in my territories
3. The equivalence in workload across territories
4. The overall design of my territories
5. The number of large accounts in my territories
6. The sales productivity in my territories
7. The geographical size of my territories
8. The number of territories in my sales unit
9. The assignment of salespeople to my territories
10. The market potential in my territories
11. The amount of travel required in my territories

PCA is employed to show the structure of the measures. Cronbach alpha value analysis is employed to show the reliability of measures. Then the correlation coefficient analysis is employed to show the relationships among variables.

4.5.8 Firm size in relation to Export Sales Effectiveness

The relation of the firm size with export sales effectiveness is measured by combining research findings. Sales managers and salespeople are asked to reply for the size of the firm they work for, by using the EU firm classification as shown below:

- Micro: 0 - 10 full-time employees and annual turnover less than 2,000,000€
- Small: 11 - 50 full-time employees and annual turnover less than 10,000,000€
- Medium: 51 - 250 full-time employees and annual turnover less than 50,000,000€

- Large: more than 250 full-time employees and annual turnover more than 50,000,000€

In the case of contradiction, respondents were asked to choose sales turnover, as it is more important in terms of their effect in the marketplace.

PCA is employed to show the structure of the measures. Cronbach alpha value analysis is employed to show the reliability of measures. Then the correlation coefficient analysis is employed to show the relationships among variables.

4.6 Conclusion

Summarizing the research instrument design issues, they follow a compatible pattern with relevant empirical studies and are aligned with existing literature review. As discussed in the next Chapter (5), the pilot study of in-depth interviews has revealed some important factors that affect the export sales effectiveness that has not been extensively designed in the questionnaires before submission to the pilot study. Therefore, it becomes imperative to follow up these measurable changes in the designed questionnaires to enhance further the research instrument and enrich the measurement scales. In Appendix A, both questionnaires for export sales managers and export related salespeople are presented that need further review after the pilot study findings which are discussed in Chapter 5. In Appendix B, five in-depth interview transcripts with export sales managers are presented with the word count and concordant analysis as well. Research findings of the pilot study are reviewed in the following chapter by demonstrating the historical progress of the research program.

Chapter 5: Pilot study findings and formal theory development

5.1 Introduction

Having considered the literature review, research methodology and the research instrument that is used in pilot and main study, this chapter reports the pilot study design and findings. Regarding design, the pilot study is mainly relied on the qualitative research underpinnings of the research instrument by academics, export sales managers and export related salespeople (practitioners). In particular, the first phase includes the conduction of in-depth interviews with five (5) export sales managers, representing each main Greek export sector. They assisted in the qualitative assessment of research literature review and the proposed conceptual framework. Sales managers were also asked to complete the designed questionnaires that are used in the main study so as to evaluate the understanding of the research instrument and comment for any necessary modifications. The second phase involves the discussion of the research instrument (questionnaires) with academics so as to review the applicability and measurability of measurement constructs. The final stage concerns the qualitative assessment of salespersons' questionnaires by eight (8) export related salespeople.

Considering the pilot study principles as stated by Wallace and O'Farrell (2013) these can be summarized as follows:

- Pilot study must be reliable
- Pilot study must be compatible with literature synthesis
- Pilot study must be achievable
- Pilot study must be widely effective for the overall sampling frame

The pilot study results rely on export sales managers' and export salespersons' perceptions. It is evident that due to the limitations of the pilot study regarding scale, time constraints and population sample, the pilot study findings are indicative and cannot provide evidence of being representative of the overall sample or population. Its main purpose is to illustrate the qualitative analysis of sales manager's perceptions of the factors that can affect the export sales effectiveness and to test on a small scale the research instrument for any potential drawbacks that need to be identified and prevented before the implementation of the main study. Particularly, the pilot study makes an

effort to investigate sales managers' perceptions and to cross-link existing literature and enrich if possible the suggested framework with any possible additional factors that may derive from the pilot study findings.

Several considerations regarding reliability and validity of pilot study findings should be considered during pilot study findings synthesis. There could be a possibility that a sales force effectiveness element may be a factor affecting export sales effectiveness, but the respondent may think that this element is not important in the organization that he works. Similarly, a sales manager may have the perception that an element is very important affecting export sales effectiveness, but actually, this element is not included in the formal literature. Therefore, it is imperative to investigate any of these issues in the pilot study phase, so as to offer a higher degree of validation in the main study.

5.2 In-depth interviews with five export sales managers

A conduction of in-depth interviews with five export sales managers was implemented. Despite the fact that the target to obtain at least one interview from each sector was accomplished, a greater number of interviewees were rather difficult to be obtained. The in-depth interviewing process lasted longer than expected (October 2013 – March 2014) and it can be clearly understood that sales managers are reluctant to participate as they are oversaturated in responding to a gradually increasing number of surveys over the last years. The interviews were conducted in the Greek language so as to offer a higher freedom to respondents to express themselves. Before the interview, each participant was informed of the purpose of this research and whether he would like to be recorded. The interviews were transcribed and translated into the English language taking into account any syntax or mispronounced mistakes. Both transcripts (in Greek and English language) have been sent to the interviewees for review to confirm their sayings as well as the accuracy of the translation in English. Also, they have been asked to retain a copy and send back to the researcher signed copies of both transcripts in the Greek and the English language (Appendices B1.6 - B1.7). The duration of each interview lasted between 35 to 49 minutes in interviewees' offices. The table below shows the main characteristics of the participant interviewees.

Table 5.1 Interviewees Characteristics

Descriptor	Interviewee 1	Interviewee 2	Interviewee 3	Interviewee 4	Interviewee 5
Sector	Agricultural	Combustibles	Raw materials	Industrial	Industrial
Firm size (number of employees)	240	430	140	170	350
Number staff dedicated (partly/fully) to export activities	14	26	3	21	16
Firm export experience (years)	36	28	12	32	17
Interviewee export experience (years)	28	9	6	12	11
Interviewee sales experience (years)	37	19	17	17	23
Age of export department	30	24	6	22	12
Percentage of exports in overall turnover	60	35	20	70	25

Content-concordance and word count analysis were implemented so as to investigate the insights into sales managers' perceptions of sales force effectiveness factors (Appendices B1.1 – B1.5). It is evident that there has been no misunderstanding of the terminology used as all respondents were aware of the sales terms and they have answered all questions without facing any problems. Some sales managers have provided more details of their perceptions over sales force effectiveness factors compared to some others. Despite the fact that the theoretical framework was presented at the end of each interview, so as to avoid the influence of the interviewer on the interviewee, none of the respondents have contributed any additional factor that was not mentioned in the suggested theoretical framework. Sales managers were asked at the end of the interview to prioritize the factors figured in the proposed framework regarding their impact on export sales effectiveness. Despite the fact that two out of five respondents have considered the factors equally important, all respondents had classified them. Table 5.2 shows the classification of these factors as perceived by the interviewed sales managers. It demonstrates the number of interviewees that classified the importance of each factor. For example, three interviewees have classified the export orientation of sales strategy as the most important factor of export sales effectiveness. The main results of the content-concordance and qualitative analysis are described as follows.

Table 5.2 Sales Force Effectiveness Factors and their Importance regarding their impact on sales effectiveness

Sales Force Effectiveness Factors	Importance in terms of their impact over sales effectiveness						
	1 = Most Important	2	3	4	5	6	7 = Least important
Behaviour control of sales management in export units				3		2	
Outcome control of sales management in export units			3		2		
Reward and compensation schemes of salespeople within export units			1	1		1	2
The sales territory design of export units	1	2			1	1	
The size of the firm		1			1	1	2
The export orientation of sales strategy	3	1	1				
Sales management's experience in exports	1	1		1	2		

5.2.1 Outcome control of sales management in export units

Content-concordance analysis has shown that four out of five interviewees had a strong word association between outcome control and export sales effectiveness (more than five occurrences). Similarly, qualitative analysis has indicated that more than four out of five interviewees have clearly associated various forms of outcome control with export effectiveness. In addition to this, questionnaires of sales managers suggest an increased average rating in both outcome performance indicators and sales effectiveness, showing a possible relation between these two factors. The proportion of sales managers who have agreed with the statement was four out of five. The significance rating of this factor was between three and five out of seven in the overall rating scale of all factors indicating an average rate regarding its impact on the export sales effectiveness (Table 5.2).

5.2.2 Behaviour control of sales management in export units

The proportion of agreement for this statement was relatively high (4 out of five) but not as high as in the previous statement. Sales managers were disinclined to relate behaviour control indicators with export effectiveness highly. It is conspicuous that the average of occurrences of word association between behaviour indicators and export effectiveness was relatively small (less than three). Likewise, the significance rate of this factor in comparison to the overall factors featured in the theoretical model was less than the average scaling between four and six in the overall seven scales (Table 5.2). Additionally, qualitative analysis has provided strong evidence of a high correlation between behaviour and outcome control factors resulting in similar ratings.

5.2.3 Reward and compensation schemes for salespeople within export units

The agreement with this statement towards sales managers was relatively high (4 out of five), but the significance rate of this factor against export effectiveness has greatly fluctuated between three and seven out of seven overall scales. It denotes that the significance of this factor is highly dispersed between sales managers' perceptions. Content analysis has demonstrated scarce occurrences of word association between reward or compensation schemes and export sales effectiveness. However, content-concordance analysis corroborates the influence of reward and compensation schemes in export sales effectiveness through the word occurrences of these indicators in the sum of interviews conducted.

5.2.4 The sales territory design satisfaction of sales managers in export units

Sales territory design satisfaction has been widely accepted as an important factor affecting export sales effectiveness. Half of the interviewed sales managers have rated this factor among the first or second most important ones affecting export sales effectiveness. However, the rest has rated it as not so important (six or five out of seven). It is essential to state that management perceptions over this factor are quite controversial as ratings are quite dispersed among respondents. Despite the fact that the majority of sales managers accepts the importance of this factor, they are dubious about whether big export sales departments can bring effective results or whether territory design itself can be effective in the service sector or whether it can stand alone without a proper sales strategy. Moreover, content analysis has shown a weak word association between territory design satisfaction and export effectiveness with occurrences being less than two in each conducted interview. Nevertheless, questionnaire findings have intimated that territory design satisfaction of sales managers has been highly rated (between five and six) following a similar pace of export sales effectiveness rating. Therefore, there is evidence of the existence of an association between these two variables.

5.2.5 Firm size

The above statement has been quite controversial for sales managers. Despite the fact that research findings through questionnaires show a clear association between these two variables; whereas bigger firms have a higher export performance, sales managers'

perceptions over the effect of firm size on its export effectiveness seems to be very low. Sales managers perceive that firm size may matter, but not to a great extent as there may be cases where smaller firms are more adaptable to compete. They argue that the procedures, the product portfolio and the sales strategy, in many cases, are more important than firm size. Firm size could be a factor affecting export sales effectiveness regarding financial resources to implement an aggressive export strategy. Furthermore, content-concordance analysis has revealed a very low occurrence, word association between these variables. Regarding its significance towards export sales effectiveness, it is quite dispersed, but the majority of respondents' rate is from five to seven out of seven, clearly indicating the low impact of this factor (Table 5.2).

5.2.6 Export orientation of sales strategy

Export orientation of sales strategy has received wide acceptance by sales managers. Their perception of the significance of this factor is very high, with its rating among the first three positions out of the overall seven (Table 5.2). However, content analysis has shown that the word association between the export orientation of sales strategy and export sales effectiveness is not so frequent. Similar results derive from the content-concordance analysis as well with limited word occurrences in four out of five interviews and no occurrences in the remaining interviews.

Despite these indications, there is a need for further research on this element. Questionnaires must be enriched with the more constructive measurement tool for this element. Adu-Gyamfi and Korneliussen (2013) had adopted a measurement tool for measuring internationalization relied on previous applied empirical studies (Samiee and Walters, 1990). Therefore, it is imperative to address on questionnaires in question 6 (for salespeople) and 7 (for sales managers) an additional element 'expanding across borders into geographical locations that are new to the firm'.

5.2.7 Sales management experience in exports

The experience of sales management is considered to be an important element of the majority of sales managers. Three out of five have rated significantly high the importance of this factor in export effectiveness (Table 5.2). The remaining

interviewees have also rated above average the importance of this factor quite equally to behavior and outcome control rating scales. The content - concordance analysis illustrates a steady occurrence rate in all conducted interviews and content analysis denotes a clear word association of management experience and sales effectiveness.

5.2.8 Qualitative assessment of export sales managers' questionnaire

Along with the part of the interviews, the qualitative assessment of the questionnaire was also part of the qualitative research with export sales managers. Sales managers were asked to assess the questionnaires regarding its understanding, structure and any possible bias that they might face. Results are listed below:

- In Q1, the industrial sector is not so clearly understood, and for this reason, it is renamed to 'manufacturing' sector.
- In Q10, the sub question. '*monitors the what extent you travel*' is rephrased to 'monitors to what extent you travel.
- In Q11, the sub question, '*the number of territories in my sales unit*' is rephrased to '*the number of sales territories in my area of responsibility*'.
- In Q11, the sub question, '*the overall design of my territories*' is rephrased to '*the overall design (structure) of my sales territories.*'
- Q12 has been rephrased from '*To what extent does your company provide you the following procedures*' to '*To what does your company make use of the following aspects*'.
- In Q12, the sub question, '*leadership allowance*' is rephrased to '*leadership allowance and encouragement*'.
- In Q12, the sub question, '*personal cultural formation development*' is rephrased to '*personal development*'.
- Q13 has been rephrased from '*In your opinion, what are the main factors that affect export sales force effectiveness?*' to '*In your opinion, what are the main elements of a successful export-oriented sales department?*'

5.3 Discussion of the research instrument with academics

A discussion of the research instruments (in-depth interviews and questionnaires) regarding their design, validity, reliability and compatibility was conducted. Researcher's DBA supervisor (Prof. Donaldson), researcher's MBA supervisor (Prof. Filipas) and Prof. Avlonitis took part in this academic review. Research findings and corrections that took place are listed below:

In the literature synthesis the following arguments were made and have been taken into consideration by the author:

- On the export sales effectiveness conceptual framework, the inter-influence among the drivers should be stressed, examined and shown in more detail.
- Attention to the 'Tailored Design Method' used by a similar study in the UK (Katsikea and Skarmas, 2003) should be paid and examined whether it can be employed in this methodological framework.
- The adequate reference of Katsikea's (2007) conceptual framework should be listed in literature review and synthesis, and the factors figured should be taken into consideration in the proposed conceptual framework.

For the in-depth interviews, it was agreed to start the interview with an open-ended question and follow the conversation flow. At the end of the interview, the proposed conceptual framework is presented to interviewees so as to gather their perceptions towards sales force effectiveness factors.

On the draft questionnaires the following arguments were made:

- It has been questioned why these business sectors, in particular, are being examined in the first question. It was replied that this is the main business divisions made by the Greek Export Association when examining the Greek exports index.
- A basic element of business management was missing from the questionnaires. The elements that have to do with the management, satisfaction, evaluation of salespeople have been addressed. However, the element of investment of people has not been stressed at all. Therefore, it has been commonly agreeing to add a question among questions 3 and 4 that addresses the following issues:

To what extent the company invests in personal development

To what extent the company encourages people in self-evaluation.

- In this way, we can get an indication on whether companies invest in people, by rewarding, evaluating, and training salespeople. Also, the second part of the question can be used a safeguard indicator as to whether replies on questionnaires are replied with honesty and not by default. In case respondents reply that their company encourages self-evaluation, it is rather difficult not to be able to reply honestly to questions and eliminate measurement bias (not truly answers), as they must have been through this procedure (self-evaluation) in the past as well.
- An additional factor in question 5 and 6 of managers' questionnaire and in questions 4 and 6 of salespersons' questionnaire has been added that has to do with the feedback of customer complaint.
- Rephrasing of factors in questions 7 and 8 of managers' questionnaire and questions 6 and 7 of salespersons' questionnaire has been agreed and made. A description of all scale levels has been agreed and added as well.
- An additional question in both questionnaires has been agreed and added. It examines the export behaviour control procedures that companies follow, by relying on the SFED categories of Zoltners, Sinha and Lorimer (2008). It has been totally disregarded from an existing framework by using only the managerial activities (measurement scale of Babakus *et al.*, 1996) and the sales people activities (measurement scale of Cravens, 2004). However, it is very important to assess the established procedures that exist within export sales units and assist in investing and developing sales persons.
- At the end of the questionnaires, a suggestion for an open-ended question referring to the factors that affect the export sales effectiveness has been made. It is adopted and used in the revised questionnaires for the pilot study. It may result in obtaining additional information that may have not been covered or even considered in the previous questions.
-

5.4 Qualitative assessment of export sales managers' questionnaire

Eight (8) export related salespeople were asked to evaluate the proposed research instrument regarding structure, understanding and internal consistency. Qualitative

analysis has revealed the following corrections that were necessary for questionnaire design so as to eliminate reliability issues:

- Rephrase in Q9: 'Adopt sales unit's best selling approaches within my sales territory' to 'Adopt sales unit's best selling approaches within my sales area'.
- Correction in Q10: 'Monitors the what extent you travel' to 'Monitors to what extent you travel.'
- Rephrase in Q11: 'The number of territories in my sales unit' to 'The number of sales territories in my area of responsibilities.'
- Rephrase in Q11: 'Leadership allowance' to 'Leadership allowance and encouragement.'
- Rephrase in Q12: 'To what extent does your company provide you the following procedures' to 'To what extent does your company make use of the following aspects.'
- Rephrase in Q13: 'In your opinion, what are the main factors that affect export sales force effectiveness?' to 'In your opinion, what are the main elements of a successful export-oriented sales department.'

The major objective of the pilot study is to assess the questionnaire regarding its consistency and applicability in producing reliable results. Therefore, the researcher has tested the questionnaires collected with the methods that are employed in the main study. But, the findings cannot be reported due to small sample size. PCA was employed to establish the structure of measured variables that are proposed in each sales force effectiveness factor. This technique specifies the set of components that are highly inter-correlated (Hair *et al.*, 2010). It appears that PCA will provide adequate results in the main study. Similarly, reliability is measured by using the Cronbach alpha value for each measure so as to evaluate its internal consistency. Nunnally (1978) recommends coefficient alpha to be greater or equal to 0.6. Most of the measures appear to have alpha scores greater than 0.70 which is the acceptable threshold level. The rest appears to be above 0.6 which is the lowest acceptable rate. The correlation coefficient analysis could not be implemented to show the relationships among variables, as the sample size was relatively small. Similarly, hypotheses could not be tested through LISREL path analysis (Jöreskog and Sörbom, 1996) and multiple discriminant analysis due to the small sample population. All statistical analysis is feasible in the main research where

the sample is greater and findings can be reported as they are statistically accurate. Similarly, the hypothesis testing is feasible in the main research where the number of respondents is significantly higher, and inferential statistics can be performed as part of the quantitative research.

5.5 Formal theory development

Pilot study findings have verified the existing literature regarding the internal factors that affect export sales effectiveness. However, qualitative research (interviews with sales managers) has revealed two additional factors that need to be examined regarding their contribution to export sales effectiveness. In particular, export orientation of sales strategy and sales management experience over exports has been perceived of great importance in affecting export effectiveness.

5.5.1 Exports orientation of sales strategy

By investigating the role of firm's sales strategy on export effectiveness, the empirical evidence supports that it affects salesperson selling performance (Terho *et al.*, 2015). In particular, the research community has called for further research on the impact of exporter's market sales orientation in export effectiveness (Murray *et al.*, 2007). There is supportive evidence suggesting the positive impact of export market orientation (though sales strategy) in a firm's export effectiveness by focusing on the relationship between these factors (Akyol and Akehurst 2003; Beaujanot *et al.*, 2006; Moral-Pajares *et al.*, 2015; Diamantopoulos *et al.*, 2015). Much debate concentrates on the issue whether the relationship between market orientation and export performance is linear or quadratic for exporting firms (Kwon and Hu, 2000; Rose and Shoham, 2002). A key measurement variable missing from existing empirical studies is the degree of internationalization of the exporting firm (Murray *et al.*, 2007). Towards this effort to investigate this variable within the export orientation of sales strategy framework, Adu-Gyamfi and Korneliussen (2013) as well as Cadogan *et al.* (2009) have indicated that the level of internationalization is not positively related to export performance, but rather to export market-oriented behaviour. However, new empirical evidence suggests a strong relationship between export market orientation and three (examined) forms of export performance: financial, strategic and firm export satisfaction (Acikdilli, 2015). Similarly, another study suggests that managerial expectancy and valence influence the

initiation of exporting (Wood *et al.*, 2015). They propose that international market orientation, affinity to internationalization and resource availability influence the components of motivation towards exports.

Conclusion: The literature suggests that there is a functional relationship between the export orientation of sales strategy and export sales unit effectiveness.

5.5.2 Sales management experience in exports

Sales managerial experience is quite important in exports. There is empirical evidence suggesting that experienced sales managers are more flexible in learning and investigating sales opportunities and any potential market threats (Christensen and Da Rocha, 1994; Lages *et al.*, 2008). There is also evidence suggesting that the lack of management experience can also be, apart from a non-export facilitator, an actual barrier for exports (Ibeh, 2004). This argument is further supported by a recent study suggesting that lowly and highly experienced export firms benefit more regarding export performance compared to moderately experienced ones (Cleslik *et al.*, 2015). Well-experienced sales managers in international markets can offer a competitive advantage to the firm as they seem to have an increased knowledge of international selling and trading (Lages *et al.*, 2008).

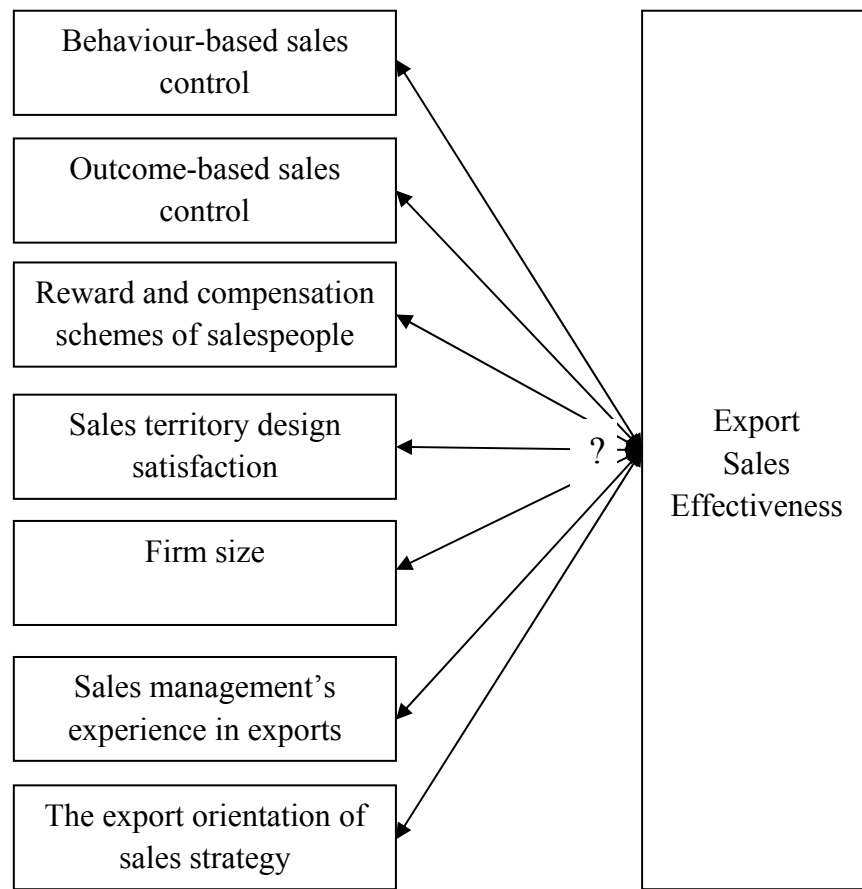
Conclusion: The literature suggests that there is a functional relationship between sales management experience in exports and export sales unit effectiveness.

Thus, the literature review suggests the following outcomes:

- There is a functional relationship between the export orientation of sales strategy and export sales unit effectiveness.
- There is a functional relationship between sales management experience in exports with export sales unit effectiveness.

For the reason above, formal theory development needs readjustment from the basic theory which has been proposed in the literature review (Chapter 2). The proposed conceptual framework is updated and illustrated below along with the additional elements:

Figure 5.1 Formal Conceptual Framework



- Export orientation of sales strategy: the level of firm's strategy and management objectives towards internationalization
- Sales management experience in exports: the degree of management experience in international business, overseas living and working and following up global export market trends.

On the grounds of the additional factors that have been derived from the pilot study findings above, the following theoretical acceptances are provided:

5.5.3 The export orientation of sales strategy

Literature appraisal suggests that a sales strategy which is export oriented, highly focuses on internationalization of the firm and has dedicated most of its resources for this purpose. Highly export-oriented managers can obtain a better understanding of international markets and be more flexible in global competition by adapting their

strategies to international trends. Therefore, an export-oriented sales strategy can increase the level of export performance of a firm.

5.5.4 Sales management experience in exports

From the literature synthesis, it arises that experience of sales management is crucial in implementing export strategies. Well experienced sales managers living and working abroad, trading globally, and maintaining follow-up skills at a global level, can ensure an export firm and efficient management practice towards exports. As a result, sales management experience in exports is positively related to export performance.

5.5.6 Redefinition of research aims, objectives and hypotheses

On the above theoretical acceptances, it is imperative to redefine the research aims, objectives and hypotheses respectively, by adding the following elements:

The following addition to research objectives is shown below:

- To appraise the effect of the export orientation of sales strategy on export sales effectiveness.
- To evaluate the contribution of sales management experience to export sales effectiveness.

The research hypotheses are redefined as follows:

Null Hypothesis: There is no relationship between outcome- and behaviour-based control of sales management, reward and compensation schemes for salespeople, sales territory design satisfaction, firm size, export orientation of sales strategy, sales management experience in export sales units and export sales effectiveness.

Alternative Hypothesis: There is a relationship between outcome- and behaviour-based control of sales management, reward and compensation schemes for salespeople, sales territory design satisfaction, firm size, export orientation of sales strategy, sales management experience in export sales units and export sales effectiveness.

The operational hypotheses that need to be added to the prior ones are demonstrated as follows:

Hypothesis 6:

Null Hypothesis: *There is no relationship between the export orientation of sales strategy and export sales effectiveness.*

Alternative Hypothesis: *There is a relationship between the export orientation of sales strategy and export sales effectiveness.*

Hypothesis 7:

Null Hypothesis: *There is no relationship between sales management experience in exports and export sales effectiveness.*

Alternative Hypothesis: *There is a relationship between sales management experience in exports and export sales effectiveness*

5.5.7 Readjustment of research instrument (questionnaires)

Research instrument (questionnaires for export sales managers and export related salespeople needs readjustment by adding the measurement scale for these two factors that contribute to export sales effectiveness.

5.5.7.1 Export orientation of sales strategy in relation to Export Sales Effectiveness

Export orientation of sales strategy is measured through the proportion of exports in overall sales turnover. Export sales managers and salespeople are questioned to classify their firms into 4 distinctive categories:

0-25% - category 1

26-50% - category 2

51-75% - category 3

76-100% - category 4

Cronbach alpha value analysis is employed to show the reliability of measures. Then the correlation analysis is employed to show the relationships between export orientation of sales strategy and export sales effectiveness.

5.5.7.2 Sales management experience in exports in relation to Export Sales Effectiveness

The measurement tool for the evaluation of this element relies on the classification of the experience of respondents about the research findings of the measurement tool for export sales effectiveness. Salespeople are questioned for how long they hold their current export sales position by using a 3-item scale:

- Up to 5 years
- 6 - 10 years
- 11 years or more

An additional question investigates the overall sales experience of salespeople in exports by using the same 3-item scale, so as to receive more accurate research findings.

Likewise, sales managers are questioned for how long they hold their current export sales managerial position by using a 3-item scale:

- Up to 5 years
- 6 - 10 years
- 11 years or more

Additionally, the use of a question investigates the overall sales experience of salespeople in exports by using the pre-mentioned same 3-item scale.

However, as management experience needs a more qualitative approach towards export orientation, an additional question investigates additional measurement items:

- Degree of training in international business (e.g., formal courses and export seminars)
- Degree of overseas experience (live and work abroad)

- Ability to follow-up on trade deals in the main export market

These measurement elements are relied on Lages *et al.* (2008) research methodology.

To eliminate measurement bias on respondents' perceptions, an element that examines the experience of respondents; in self-evaluation has been added 'the company encourages you in personal evaluation' on a 7 point scale. A validation of this question shows the subjectivity of participant's perceptions.

PCA is employed to show the structure of the measures. Cronbach alpha value analysis is employed to show the reliability of measures. Then the correlation coefficient analysis is employed to show the relationships among variables.

5.6 Summary

The pilot study relied on the qualitative assessment of the research instrument by key informants (export sales managers and salespeople) and academics, as well as the in-depth interviewing of export sales managers by offering several outcomes. In particular, the pilot study has offered a set of corrections in questionnaires are necessary following a review by academics. It also enriched the proposed conceptual framework with two additional factors that seem to affect the export effectiveness by providing new insights of the explored research area (1) the export orientation of sales strategy (2) the sales management experience in exports.

It is imperative though to address the research limitations of the underpinned pilot study:

- The population of both sample sizes (sales managers and salespeople) was relatively small.
- The firms that participated in this pilot study were mainly in the industrial manufacturing sector.
- The number of the companies examined was limited (less than 10 in total)
- Due to time constraints, perceptions may vary, and research could not focus whether perception may change over the course of time.
- The interviews brought some contradictory results which can be disputable and cannot assure that the findings remain the same in a larger scale study.

- Questionnaires have been progressively developed during the pilot study phase, optimizing measurement tools and eliminating measurement bias. However, there is no assurance that no further bias may appear in a larger scale study.
- Further validation of the factor that refers to the export orientation of sales strategy is needed through a more effective measurement tool within questionnaires, compatible with existing literature.

Chapter 6: Main research findings

6.1 Introduction

This chapter presents the findings of the main research, which differs from the pilot study findings because of the corrected research instrument (questionnaires) used. The main research design demonstrates the implementation procedure that has been followed in a step-by-step process relied on the main research methodology used. It also reviews the basic statistics derived from the samples collected (export related salespeople and export sales managers) and defends the validity of the underpinned research regarding population representation. A discussion regarding research consistency and reliability of research findings is delivered, by relying on a Cronbach alpha analysis of salespeople and managers' responses. Moreover, a comparison between the two samples – respondent groups (salespeople and sales managers) is demonstrated regarding descriptive statistics so as to obtain a better understanding of the gathered data and identify any potential differences that may exist between groups. Furthermore, a Levene's Test for Equality of Variances is performed to reveal any differences in the variability of measurement constructs between the two groups. Then a principal component analysis is displayed so as to extract the components from multi-variables that are used in inferential statistics. A correlation matrix is then deployed to investigate important correlations among extracted variables in the overall sample, but also between high- and low-performing export firms. Regression analysis is used to test the hypotheses of the proposed research framework. Research hypotheses are tested via a multiple discriminant analysis by comparing the high- and low-performing export firms so as to determine any possible differences between sales force effectiveness variables. Finally, a moderation analysis is presented to show the effects of each variable of the test hypotheses regarding export performance intensity (high and low export efficient firms). Summary conclusions of above analyses are arguing at the end of the chapter causing the effects of the main discussion of research findings against existing literature which is presented in the concluding chapter.

6.2 Research Design

Having in mind the research methodologies of relative empirical studies (Katsikea and Skarmeas, 2003; Katsikea *et al.*, 2007), this research sampling frame concerns export firms that have an exporting activity of an industrial product (agricultural, industrial or combustible) in at least one foreign market. The pilot study, through the conduction of 5 in-depth exploratory interviews with export sales managers, has shown that managers perceive the firm's export strategy orientation, sales manager's experience in exports and sales territory design satisfaction as important influences of sales export effectiveness. Additionally, sales control (outcome and behaviour), compensation schemes and firm size are perceived lower – medium importance factors towards export sales effectiveness.

The selection of the sampling frame relied on the database provided by the Greek Exporters Association. The undertaken non-probability sample technique corresponds 15.9% of the overall export research studies (Leonidou and Katsikeas, 2010). In this case, all firms in this directory are exclusively registered if they are acting as exporting companies of products and they have proven export activity over the last 12 months in at least one foreign country. The overall firm size that we have outsourced was 1,424 firms with general contacts and company profiles. For each firm that was targeted, we tried to identify firm's export firm and to avoid getting several responses from each firm. Therefore, we conducted (through the use of an administrator) 3 months detailed approach by phone calling several companies to get specific contacts of our key informant. On the grounds of the undertaken research nature and methodology, the targeted key informant was either the export sales manager of the firm that is responsible for the particular export department or the general sales manager that takes care of the export firm as well or the Account Manager for exports (export salesman) that takes care of a particular export sales region. Considering the methodological approach of gathering both export sales managers and export related salespeople perceptions, we targeted to have an equal number of both groups in our sampling frame. This research process came up with 412 usable key informant contacts from 412 different export firms (in three sequenced research time intervals of two weeks each; 234 key informants in the first time interval, 89 key informants in the second and 77 key informants in the third). Another 12 key informants were collected from an exports exhibition (HORECA) that the researcher has participated collecting key informants

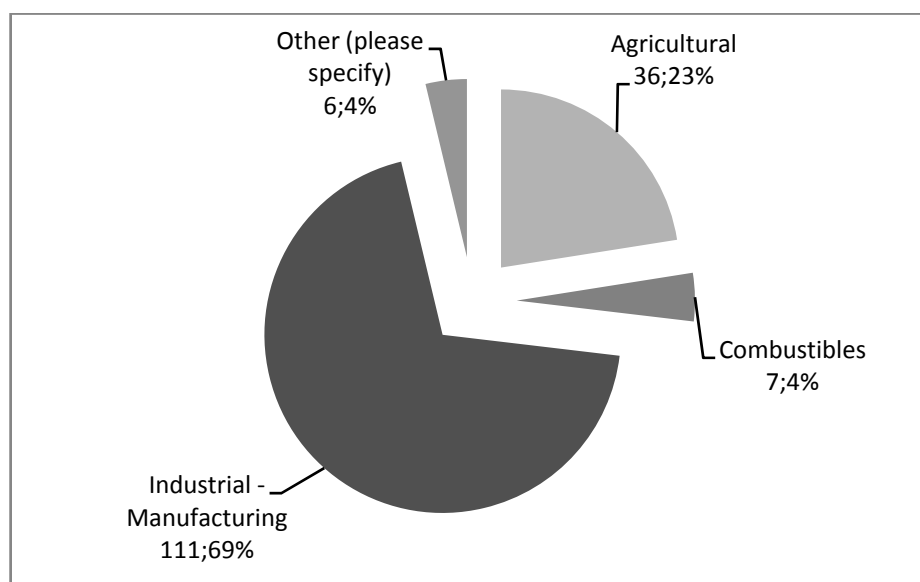
contact details of some of the firms that have been reluctant to provide contact details through the phone. Of the rest firms (1,012) that we initially targeted from the sample provided by the Greek Exporters Association, 558 firms were reluctant to provide us specific key informant contact e-mail. Therefore, we used other general corporate e-mail or the exports firm's e-mail. Moreover, 61 firms were subsidiaries of foreign firms (usually multinational firms) exporting to the Balkans or Middle East region, 26 firms were closed, 137 firms reported that they have stopped their exporting operation due to the crisis, 114 firms were dropped as being subsidiaries of the 970 firms that we had contact details (412 key informants and 558 general e-mails), and finally 116 were reluctant to participate at all in this survey.

Using the tailored design method (Dillman, 2000), three mailings (using the Survey Monkey online service) were undertaken to these 970 exporting firms with a phone call reminder; 104 usable questionnaires were collected (44 from export sales managers and 60 from export related salespeople). Overall a response rate of 10.72% was achieved (104 of 970 eligible export firms). Literature suggests that online methods (e-mail or phone calls) (Archer, 2008; Miller & Smith, 1983; Wiseman, 2003) have typically very low response rates. They range 11% below mail and phone surveys, whereas rates as low as 2% have been reported as well (Petchenik & Watermolen, 2011). In this case, research response rate corroborates literature assumptions. However, to increase the response rate the researcher participated in a FOOD EXPO exhibition that took place in Athens Metropolitan Expo 14-16 March 2015. Before the exhibition, an investigation of non-responded firms with the exhibitors that took place was implemented, resulting in a sampling pool of 96 potential firms from our initial sample of 970 exporting firms. The researcher made use of a Business Graduate administrator to assist him in the administrative work. The questionnaires were printed in hard copies with a letter cover of the purpose of this research, and potential respondents had approximately 1-2 hours to complete the questionnaire depending on their work volume within the exhibiting hours. 42 usable questionnaires (26 from export related salespeople and 16 from export sales managers) were collected, 17 firms were reluctant to participate in the survey due to time constraints, and 6 firms were reluctant to participate at all. Altogether, a response rate of 57.53% was obtained (42 of 73 eligible firms). Additionally, 14 usable questionnaires (8 from export related salespeople and 6 from export sales managers) were collected from another 23 firms that have been approached and were neither a member of the Greek Exporters Association nor within the companies responded

through mailings, accounting a response rate of 60.85%. Summarizing all the above, an overall response rate of 16.11 % (160 of 993 eligible firms) was accomplished which falls in the 19.2% of the export research studies that have a response rate 19% or less in the examined period 1960-2007 (Leonidou and Kastikeas, 2010). However, the sample size (n=160) falls within the vast majority of the export research studies (47.5% with sample size 100-249) in the examined period 1960-2007 (Leonidou and Kastikeas, 2010). An indicative list of some participating companies figures in Appendix B1.8.

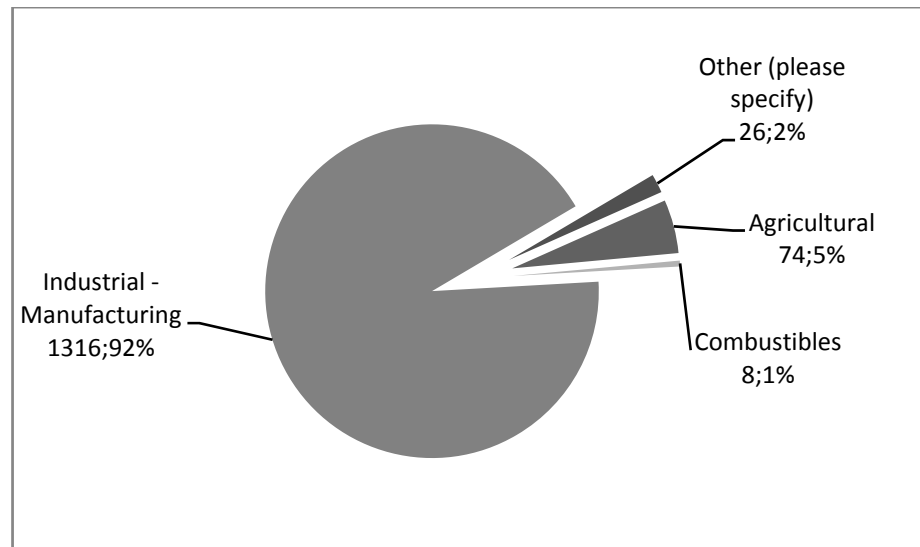
A report of sample characteristics and descriptive statistics of the responded firms is presented below along with the investigation of any potential non-response bias.

Figure 6.1 Nature of exporting goods of responding firms



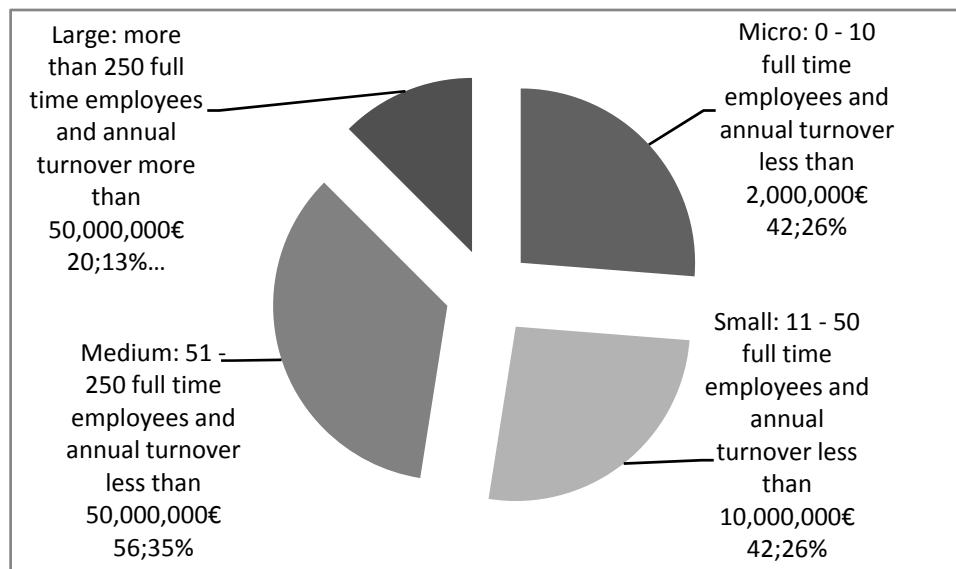
A big proportion of the responded firms (69%) export industrial products (111; 69%), lesser export agricultural products (36; 23%) and very few combustibles (7; 4%). The study follows the overall trend of export business research in which product emphasis is relied on industrial and consumer (55.5%) (Leonidou and Katsikeas, 2010) We compared our responded firms with the overall sample that the Greek Exporters Association has provided us. It can be illustrated that the responding firms follow the ratio per the nature of exporting goods of the overall directory. It is evident, though that response rates have been significantly higher for combustibles (7 out of 8) and agricultural products (36 out of 74), meaning that the responses gathered consist of a comprehensive mixture of firms with variable exporting products without focusing in a particular industry.

Figure 6.2 Nature of exporting goods of Greek Exports Association Directory



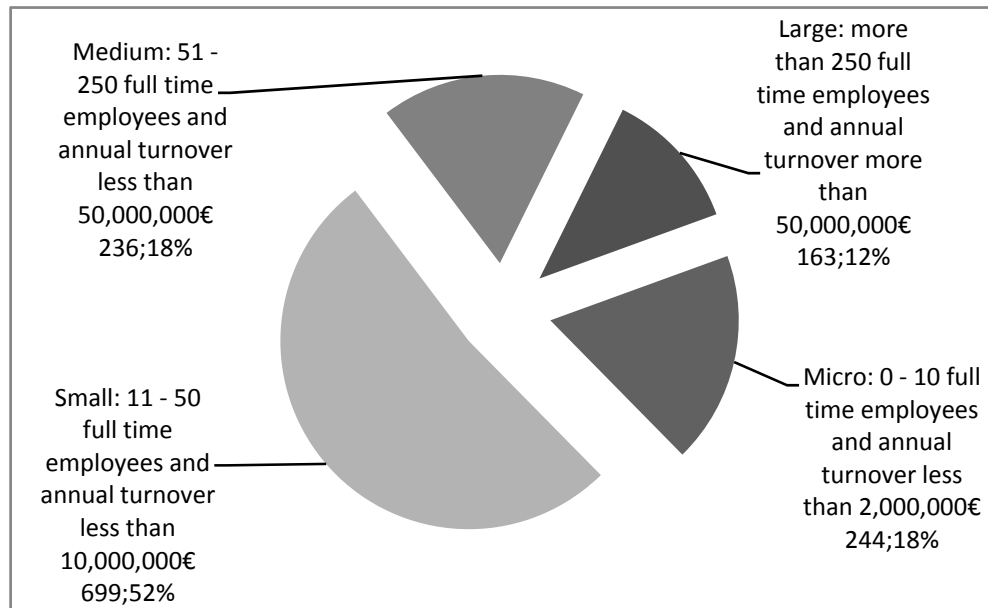
Concerning company size, responded firms are almost equally dispersed between all sizes (42 micro firms, 42 small firms and 56 medium firms), apart from the large companies that account half of the amount of the previous categories (20 large firms).

Figure 6.3 Company size of responding firms



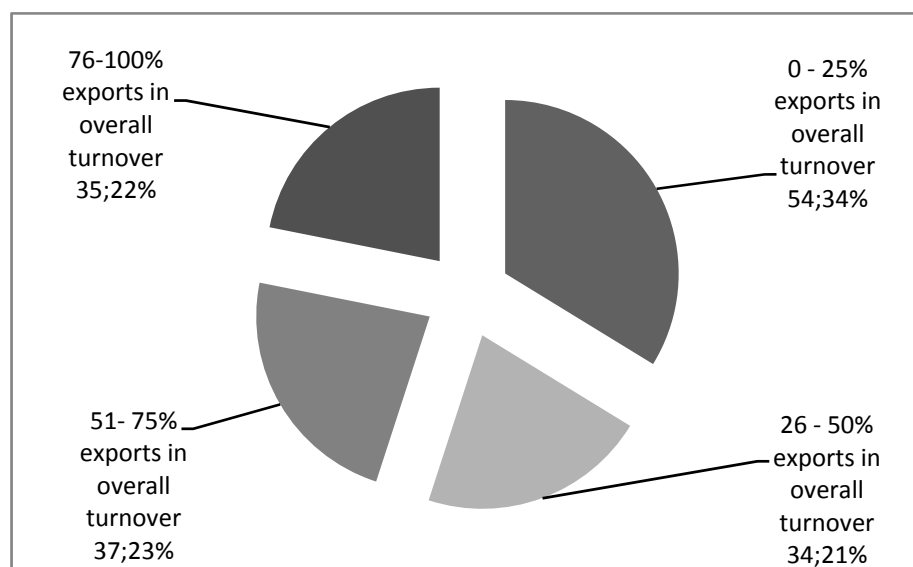
Taking into consideration the company sizes of the sampling frame of the directory that we made use of and given the data from 1,342 firms from which we had data about their company size, we found out that half of the firms are small firms. It means that the responding firms consist of a significant amount of micro and medium firms. The proportion of large firms that responded follows the overall pattern of the directory (13% responded).

Figure 6.4 Company size of Greek Exports Association Directory



Export sales in overall firm's turnover are a clear indicator of sales force effectiveness. The number of firms that fall in each category is almost equally dispersed, apart from a firm category (0 – 25%, exports in overall turnover) that seems to appear higher response rates compared to the rest categories. Due to lack of information from the directory, we could not make a comparative study on this statistical descriptor. However, the analysis shows that the responded firms fall within all firm sales export categories providing valuable data for all sales force effectiveness levels without excluding any category from the sample gathered.

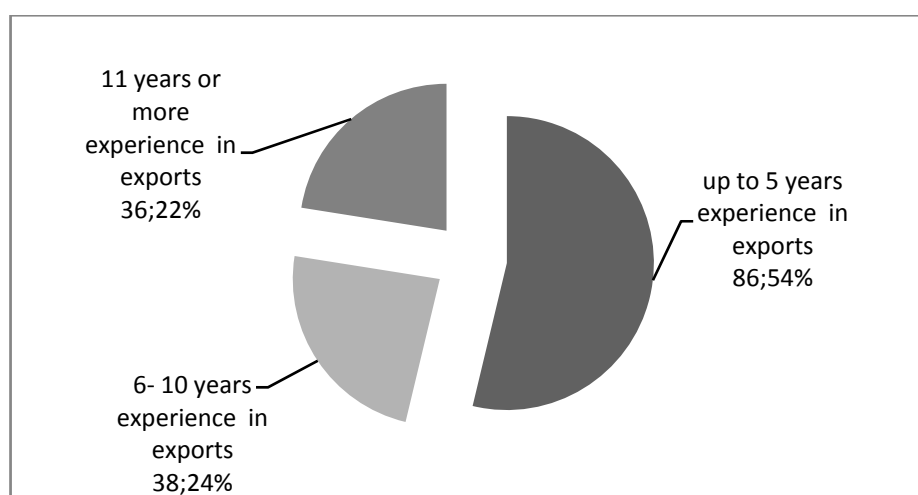
Figure 6.5 Percentage of exports in overall turnover in responding firms



About sales management experience in exports, it seems that responded firms follow a similar pattern to their size. One-half (54%) of the firms' sales management has experience up to 5 years; that can be assured by the fact that 52% of responding firms consist of micro and small size, and 55% of responding firms report exports less than 50% of their overall turnover. On the contrary medium and high experienced levels are equally divided to the rest of the responded firms. It is important to mention that all levels of experience are shown in the responded firms providing strong validation elements to the research study.

Concluding all the above descriptive statistics of the research, it can be presumed that no considerable differences were found between the responded firms and the overall population of the Greek Exporters Association Directory. Therefore, it can be conjectured that non-response bias was not an issue to be associated with this research study.

Figure 6.6 Years of sales management experience in exports of responding firms



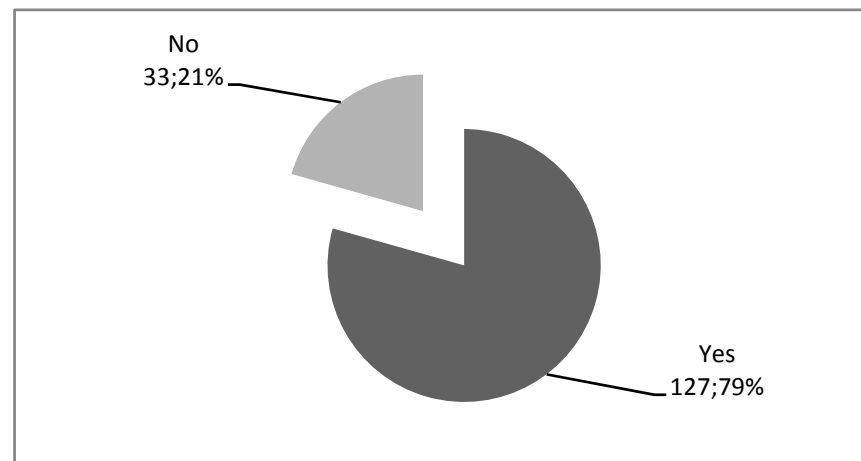
6.3 Research Consistency and Reliability

A thorough review of the research instrument has been implemented during the pilot study stage both by academics and export sales managers. The research instrument seemed to be rather appropriate not only concerning its internal consistency but also reliability. A similar analysis has been deployed in the analysis of the main research findings to test the measures for their internal consistency and to investigate the elements that are highly inter-correlated.

Before presenting the reliability analysis, it is important to understand whether the key informants that participated in the research were capable and exercised in self-evaluation. The questionnaire (the research instrument) relies on how key informants (sales managers and salespeople) perceive their export firm regarding management control, sales behavioural attributes, sales effectiveness and rewarding schemes. For this reason, it is imperative to understand whether the participants were able to self-evaluate their activities and evaluate their sales management as well.

From the analysis of data, it can be induced that the vast majority of the respondents is being encouraged by the firms that they work for to self-evaluation (79%). Concerning export related salespeople, in particular, 72 out of 94 (76.59%) have replied positively to this question, whereas, 56 export sales managers out of 66 (84.84%) have replied positively too. Therefore, it can be conjectured that the majority of the participants is practiced in self-evaluation procedures and can eventually participate in this kind of research.

Figure 6.7 Does your company encourages yourself in personal evaluation?



With the regard to the measurement technique for the internal consistency of the reliability of the research instrument constructs, the Cronbach's alpha technique has been employed. Several empirical studies make use of this technique (Guenzi *et al.*, 2013; Theodosiou and Katsikea, 2013; Katsikea *et al.*, 2007; Katsikea and Skarmas, 2003) to examine the reliability estimates of the instrument's constructs. It is considered that may indirectly indicate the degree to which a set of items measures a single construct. Leonidou and Katsikeas (2010) have explored that 56.3% and 50.8% of the empirical studies that are export researched focused (1960 - 2007) make use of construct evaluation on reliability and validity respectively.

Table 6.1 Cronbach's Alpha Analysis of Sales Managers and Salespeople

Measurement Constructs	Salespeople n = 96		Salesmanagers n = 64	
	Cronbach a value if item deleted	Cronbach a value	Cronbach a value if item deleted	Cronbach a value
Sales Force Effectiveness				
Sales Performance against main competitor				
Sales Volume	0.87		0.92	
Market Share	0.85		0.92	
Profitability	0.93		0.92	
Sales Performance compared to business plans				
Sales Volume	0.80		0.92	
Market Share	0.80		0.92	
Profitability	0.81		0.92	
Customer satisfaction	0.80		0.92	
New Accounts	0.81		0.92	
Lost Accounts	0.81		0.92	
Number of customer complaints	0.80		0.92	
Time taken to deal with customer complaints	0.79		0.92	
Feedback of customer complaints	0.79	.86	0.92	.93
Outcome control based Variables				
Produce a high market share for your company	0.92		0.95	
Make sales of those products with the highest profit margin	0.92		0.95	
Generate a high level of turnover sales	0.92		0.95	
Quickly generate sales of new company's product and/or services	0.92		0.95	
Identify accounts	0.92		0.95	
Prioritise accounts	0.92		0.95	
Sell to accounts	0.92		0.95	
Produce sales or blanket contracts with long-term profitability	0.93		0.95	
Exceed all sales targets and objectives during the year	0.92		0.95	
Allocate sales time with customers efficiently	0.92		0.95	
Make the best recovery of pending accounts	0.92	.93	0.95	.95
Monitoring - Behaviour based sales control variables				
Spends time with you in the field	0.89		0.92	
Makes joint calls with you	0.89		0.90	
Regularly reviews your call reports	0.88		0.90	
Monitors your day-to-day activities	0.89		0.90	
Observes your performance in the field	0.88		0.90	
Monitors to what extent you travel	0.89		0.91	
Closely watches your expenses	0.90		0.91	
Monitors the credit terms that you quote customers	0.90	.90	0.91	.92
Directing - Behaviour based sales control variables				
Encourages you to increase your sales results by rewarding you	0.91		0.88	
Actively participates in training you on the job	0.86		0.75	
Discuss performance evaluations with you	0.86		0.79	
Helps you to develop your potential	0.86	.90	0.78	.84
Evaluating - Behaviour based sales control variables				
Evaluates the number of your sales calls	0.89		0.86	
Evaluates your achieved profit contribution	0.87		0.87	
Evaluates your sales results	0.89		0.94	
Evaluates your professional development	0.91	.92	0.90	.90
Rewarding and Compensation based variables				
Rewards you based on the quality of your sales activities	0.93		0.89	
Rewards you based on the quantity of your sales results	0.89		0.85	
Uses non-financial incentives to reward you for your achievements	0.95	.95	0.93	.93

Table 6.1 Cronbach's Alpha Analysis of Sales Managers and Salespeople (cont.)

		Salespeople n = 96	Salesmanagers n = 64	
Measurement Constructs	Cronbach a value if item deleted	Cronbach a value	Cronbach a value if item deleted	Cronbach a value
Behaviour control based variables				
Have knowledge of the design and/or specifications of company products and/or services	0.95	.96	0.97	.97
Have knowledge of the applications and/or functions of company products and/or services	0.95		0.97	
Communicate your sales presentation clearly and concisely	0.95		0.97	
Work out solutions to customers' questions	0.95		0.97	
Work out solutions to customers' objections	0.95		0.97	
Work out solutions to customers' proposals	0.95		0.97	
Being flexible in the use of selling approaches	0.95		0.97	
Elaborate selling approaches among customers	0.95		0.97	
Adopt sales unit's best selling approaches within my sales area	0.95		0.97	
Plan the structure of each sale	0.95		0.97	
Plan sales strategies for each customer	0.95		0.97	
Provide the after-the-sale service	0.96		0.97	
Handle customer complaints	0.95		0.97	
Rewarding and Compensation based variables				
Rewards you based on the quality of your sales activities	0.93	.95	0.89	.93
Rewards you based on the quantity of your sales results	0.89		0.85	
Uses non-financial incentives to reward you for your achievements	0.95		0.93	
Sales territory design based variables				
The number of accounts in my territories (sales area)	0.94	.94	0.94	.94
The number of calls made in my territories	0.94		0.94	
The equivalence in workload across territories	0.94		0.94	
The overall design (structure) of my sales territories	0.94		0.93	
The number of large accounts in my territories	0.94		0.94	
The sales productivity in my territories	0.94		0.94	
The geographical size of my territories	0.94		0.94	
The number of sales territories in my area of responsibilities	0.94		0.93	
The market potential in my territories	0.94		0.94	
The amount of travel required in my territories	0.94		0.94	
		.94	0.94	.94

The Cronbach's alpha as shown in Table 6.1 yields between 0.84 and 0.97 and in any case no less than 0.70 thresholds (Hair *et al.*, 2012). In most of the cases, the values yield above 0.90 which characterized of an excellent internal consistency for high stakes testing. In both groups (export related salespeople and export sales managers) alpha scores are similar in most of the constructs apart from the sales force effectiveness constructs where the alpha score is higher in export sales managers (0.93) compared to export related salespeople (0.86). On the contrary, behaviour-based sales control constructs regarding managerial direction seem to appear higher alpha score in export related salespeople (0.90) compared to export sales managers (0.84). In any case, alpha scores have shown that excellent internal consistency characterizes the instrument used for both groups (salespeople and sales managers) like most of the scores yield above 0.90 thresholds.

6.4 Research Descriptive Statistics

Before analyzing the construct measures by using inferential statistical methods which test research hypotheses, it is imperative to refer to the descriptive statistics of this research. By this way, we get a better understanding of the primary data regarding frequencies, measures of central tendency and dispersion for each sales force effectiveness factor of the proposed theoretical framework. The analysis of data of export related salespeople for 4 out of 7 factors that have numeric inputs and can be measured through descriptive statistics figures in Table 6.2. These data show that the majority of the responses is dispersed within a range of 6 with the majority of the responses ranging between 2 and 7 in terms of response scale rating. The highest mean values are concentrated on the following variables of sales force effectiveness and behaviour sales control:

- Sales Performance compared to business plans - Customer satisfaction
- Monitoring - Behaviour-based Control Variable - Monitors the credit terms that you quote customers
- Sales Performance compared to business plans - New accounts
- Monitoring - Behaviour-based Control Variable - Observes your performance in the field

On the contrary, the lowest mean values are mainly found in outcome sales control based variables which are related to own performed sales activities:

- Outcome Control Based Variable - Exceed all sales targets and objectives during the year
- Outcome Control Based Variable - Generate a high level of turnover sales
- Outcome Control Based Variable - Quickly generate sales of new company's product and/or services
- Outcome Control Based Variable - Produce a high market share for your company

Regarding variance, highly dispersed data have been seen in all three (3) rewarding and compensation variables as well as in some behaviour-based control variables (directing, monitoring and evaluating):

- Rewarding and Compensation Variable - Uses non-financial incentives to reward you for your achievements

- Rewarding and Compensation Variable - Rewards you based on the quantity of your sales results
- Rewarding and Compensation Variable - Rewards you based on the quality of your sales activities
- Directing - Behaviour-based Control Variable - Encourages you to increase your sales results by rewarding you
- Evaluating - Behaviour-based Control Variable - Evaluates your professional development
- Monitoring - Behaviour-based Control Variable - Monitors to what extent you travel

On the opposite, low dispersion of data (low variance) has been found in the majority of behaviour-based control variables (7 out of 13):

- Behaviour-based Control Variable - Adopt sales unit's best selling approaches within my sales area
- Behaviour-based Control Variable - Work out solutions to customers' objections
- Behaviour-based Control Variable - Work out solutions to customers' questions
- Behaviour-based Control Variable - Work out solutions to customers' questions
- Behaviour-based Control Variable - Elaborate selling approaches among customers
- Behaviour-based Control Variable - Handle customer complaints
- Behaviour-based Control Variable - Work out solutions to customers' proposals
- Behaviour-based Control Variable - Communicate your sales presentation clearly and concisely

The standard deviation shows a similar pattern, where rewarding and compensation variables have the highest scores, and behaviour-based control variables the lowest ones.

Table 6.2 Descriptive Statistics of Export related salespeople

Measurement Construct	EXPORT SALES PEOPLE						
	N	Mean	Std Dev	Variance	Range	Min	Max
Sales Force Effectiveness							
<i>Sales Performance against main competitor:</i>							
Sales Volume	84	5.08	1.62	2.63	6	1	7
Market Share	83	5	1.6	2.56	6	1	7
Profitability	83	5.16	1.52	2.3	6	1	7
<i>Sales Performance compared to business plans:</i>							
Sales Volume	92	5.09	1.35	1.82	6	1	7
Market Share	88	5.24	1.23	1.52	5	2	7
Profitability	88	5.23	1.32	1.74	6	1	7
Customer satisfaction	90	5.74	1.28	1.63	5	2	7
New accounts	91	5.62	1.28	1.64	6	1	7
Lost Accounts	90	4.69	1.36	1.86	6	1	7
Number of customer complaints	90	5.13	1.54	2.39	6	1	7
Time taken to deal with customer complaints	88	5.17	1.39	1.94	6	1	7
Feedback of customer complaints	89	5	1.41	1.98	6	1	7
Outcome Control Based Variables							
Produce a high market share for your company	94	3.78	1.52	2.3	6	1	7
Make sales of those products with the highest profit margin	94	4.06	1.32	1.73	6	1	7
Generate a high level of turnover sales	94	3.91	1.41	1.99	6	1	7
Quickly generate sales of new company's product and/or services	94	3.83	1.35	1.82	5	1	6
Identify lucrative accounts	94	4.26	1.47	2.17	6	1	7
Prioritise accounts	94	4.89	1.36	1.86	6	1	7
Sell to accounts	94	4.81	1.2	1.44	6	1	7
Produce sales or blanket contracts with long-term profitability	94	4.43	1.41	1.99	6	1	7
Exceed all sales targets and objectives during the year	94	4.02	1.43	2.04	6	1	7
Allocate sales time with customers efficiently	94	4.25	1.27	1.6	5	1	6
Make the best recovery of pending accounts	94	4.04	1.33	1.76	6	1	7
Behaviour Control Based Variables							
Have knowledge of the design and specifications of company products and/or services	94	4.95	1.42	2.01	6	1	7
Have knowledge of the applications and functions of company products and/or services	94	5.06	1.37	1.89	6	1	7
Communicate their sales presentation clearly and concisely	94	5.05	1.27	1.62	6	1	7
Work out solutions to customers' questions	94	5.24	1.19	1.42	6	1	7
Work out solutions to customers' objections	94	5.05	1.18	1.4	6	1	7
Work out solutions to customers' proposals	94	5.09	1.27	1.6	6	1	7
Being flexible in the use of selling approaches	94	4.76	1.29	1.66	6	1	7
Elaborate selling approaches among customers	94	4.63	1.2	1.43	6	1	7
Adopt best selling approached of sales unit's within their sales territory	94	4.58	1.17	1.38	6	1	7
Plan the structure of each sale	94	4.45	1.29	1.66	6	1	7
Plan sales strategies for each customer	94	4.58	1.42	2.03	6	1	7
Provide the after-the-sale service	94	5.04	1.31	1.72	6	1	7
Handle customer complaints	94	5	1.24	1.54	6	1	7
Monitoring - Behaviour Based Control Variables							
Spend time with salespeople in the field	92	4.67	1.71	2.93	6	1	7
Make joint calls with salespeople	91	4.9	1.71	2.93	6	1	7
Regularly review call reports from salespeople	88	5.57	1.54	2.39	6	1	7
Monitor the day-to-day activities of salespeople	91	5.32	1.55	2.4	6	1	7
Observe the performance of salespeople in the field	91	5.6	1.46	2.13	6	1	7
Monitor to what extent salespeople travel	89	5.57	1.74	3.04	6	1	7
Closely watch salespeople's expenses	89	5.39	1.65	2.72	6	1	7
Monitor the credit terms that salespeople quote customers	92	5.73	1.54	2.38	6	1	7
Directing - Behaviour Based Control Variables							
Encourage salespeople to increase their sales results by rewarding them	85	4.87	1.76	3.11	6	1	7
Actively participate in training salespeople on the job	91	5.18	1.59	2.52	6	1	7
Regularly spend time coaching salespeople	92	5.01	1.54	2.38	6	1	7
Discuss performance evaluations with salespeople	92	5.09	1.43	2.06	6	1	7
Exceed all sales targets and objectives during the year	88	4.97	1.49	2.22	6	1	7
Help salespeople develop their potential	91	5.15	1.57	2.46	6	1	7
Evaluating - Behaviour Based Control Variables							
Evaluate the number of sales made by salespeople	88	5.31	1.56	2.42	6	1	7
Evaluate the profit contribution achieved by each salesperson	90	5.2	1.58	2.5	6	1	7
Evaluate the sales results of each salesperson	90	5.49	1.55	2.41	6	1	7
Evaluate the quality of sales presentations made by salespeople	89	5.07	1.7	2.88	6	1	7
Evaluate the professional development of salespeople	94	5.09	1.75	3.06	6	1	7
Rewarding and Compensation Variables							
Reward salespeople based on the quality of sales activities	92	4.76	1.79	3.19	6	1	7
Reward salespeople based on the quantity of sales results	90	4.79	1.81	3.27	6	1	7
Use incentive rewards as the major means for motivating salespeople	88	4.72	1.89	3.59	6	1	7
Sales Territory Design Based Variables							
The number of accounts in managed sales territories	94	4.78	1.29	1.67	6	1	7
The number of calls made in managed sales territories	94	4.83	1.28	1.64	6	1	7
The equivalence in workload across managed sales territories	94	4.87	1.24	1.55	6	1	7
The overall design of managed sales territories	94	4.97	1.38	1.9	6	1	7
The number of large accounts in managed sales territories	94	4.88	1.37	1.87	6	1	7
The sales productivity in managed sales territories	94	4.94	1.31	1.71	6	1	7
The geographical size of managed sales territories	94	5.04	1.24	1.54	6	1	7
The number of territories in my sales unit	94	5.12	1.28	1.65	6	1	7
The market potential in managed sales territories	94	5.01	1.49	2.21	6	1	7
The amount of travel required in managed sales territories	94	4.72	1.47	2.16	6	1	7

As far as export sales managers in concern (Table 6.3), responses are dispersed between 5 and 6 range with minimum scores of 1 and maximum up to 7. Highest mean scores are found in almost all managerial behaviour-based control variables (monitoring, directing and evaluating) and not so much to any sales force effectiveness variables (as shown for salespeople) in particular:

- Monitoring - Behaviour-based Control Variable - Monitors the credit terms that you quote customers
- Monitoring - Behaviour-based Control Variable - Observes your performance in the field
- Directing - Behaviour-based Control Variable - Actively participates in training you on the job
- Monitoring - Behaviour-based Control Variable - Regularly reviews your call reports
- Evaluating - Behaviour-based Control Variable - Evaluates your achieved profit contribution
- Evaluating - Behaviour e Based Control Variable - Evaluates your sales results

Lowest mean scores are concentrated again in the majority salespeople's outcome-based control variables which are similar to the mean scores of export related salespeople:

- Outcome Control Based Variable - Produce a high market share for your company
- Outcome Control Based Variable - Quickly generate sales of new company's product and/or services
- Outcome Control Based Variable - Exceed all sales targets and objectives during the year
- Outcome Control Based Variable - Generate a high level of turnover sales
- Outcome Control Based Variable - Allocate sales time with customers efficiently

Table 6.3 Descriptive Statistics of Export Sales Managers

Measurement Construct	EXPORT SALES MANAGERS						
	N	Mean	Std Dev	Variance	Range	Min	Max
Sales Force Effectiveness							
<i>Sales Performance against main competitor:</i>							
Sales Volume	61	4.89	1.82	3.3	6	1	7
Market Share	60	4.8	1.75	3.08	6	1	7
Profitability	59	4.81	1.8	3.26	6	1	7
<i>Sales Performance compared to business plans:</i>							
Sales Volume	64	4.8	1.68	2.83	6	1	7
Market Share	62	4.76	1.56	2.45	5	2	7
Profitability	62	4.68	1.65	2.71	5	2	7
Customer satisfaction	64	5.08	1.63	2.64	5	2	7
New accounts	64	5.41	1.35	1.83	6	1	7
Lost Accounts	64	4.39	1.77	3.13	6	1	7
Number of customer complaints	63	4.6	1.67	2.79	5	2	7
Time taken to deal with customer complaints	62	4.85	1.65	2.72	4	3	7
Feedback of customer complaints	62	4.69	1.65	2.71	5	2	7
Outcome Control Based Variables							
Produce a high market share for your company	64	3.86	1.47	2.15	5	1	6
Make sales of those products with the highest profit margin	64	4.17	1.3	1.7	6	1	7
Generate a high level of turnover sales	64	3.88	1.25	1.57	4	2	6
Quickly generate sales of new company's product and/or services	64	3.86	1.28	1.65	5	1	6
Identify lucrative accounts	64	4.27	1.2	1.44	6	1	7
Prioritise accounts	64	4.67	1.4	1.97	6	1	7
Sell to accounts	64	4.56	1.42	2.03	6	1	7
Produce sales or blanket contracts with long-term profitability	64	4.52	1.23	1.52	5	2	7
Exceed all sales targets and objectives during the year	64	3.86	1.27	1.61	5	1	6
Allocate sales time with customers efficiently	64	4.09	1.39	1.93	6	1	7
Make the best recovery of pending accounts	64	4.2	1.32	1.75	6	1	7
Behaviour Control Based Variables							
Have knowledge of the design and specifications of company products and/or services	64	4.86	1.4	1.96	5	2	7
Have knowledge of the applications and functions of company products and/or services	64	4.86	1.42	2.03	5	2	7
Communicate their sales presentation clearly and concisely	64	4.69	1.34	1.81	5	2	7
Work out solutions to customers' questions	64	4.78	1.46	2.14	5	2	7
Work out solutions to customers' objections	64	4.75	1.32	1.75	5	2	7
Work out solutions to customers' proposals	64	4.72	1.44	2.08	6	1	7
Being flexible in the use of selling approaches	64	4.64	1.41	1.98	6	1	7
Elaborate selling approaches among customers	64	4.64	1.3	1.69	6	1	7
Adopt best selling approached of sales unit's within their sales territory	64	4.63	1.29	1.67	6	1	7
Plan the structure of each sale	64	4.55	1.22	1.49	6	1	7
Plan sales strategies for each customer	64	4.66	1.35	1.82	5	2	7
Provide the after-the-sale service	64	5.22	1.3	1.7	5	2	7
Handle customer complaints	64	5.05	1.3	1.7	5	2	7
Monitoring - Behaviour Based Control Variables							
Spend time with salespeople in the field	63	5.35	1.44	2.07	6	1	7
Make joint calls with salespeople	64	5.44	1.27	1.62	5	2	7
Regularly review call reports from salespeople	64	5.75	1.15	1.33	5	2	7
Monitor the day-to-day activities of salespeople	64	5.45	1.3	1.68	5	2	7
Observe the performance of salespeople in the field	63	5.76	1.07	1.15	5	2	7
Monitor to what extent salespeople travel	63	5.68	1.45	2.09	6	1	7
Closely watch salespeople's expenses	61	5.67	1.31	1.72	5	2	7
Monitor the credit terms that salespeople quote customers	61	6.11	1.17	1.37	5	2	7
Directing - Behaviour Based Control Variables							
Encourage salespeople to increase their sales results by rewarding them	59	5.27	1.65	2.72	6	1	7
Actively participate in training salespeople on the job	63	5.76	1.25	1.57	5	2	7
Regularly spend time coaching salespeople	64	5.58	1.18	1.39	5	2	7
Discuss performance evaluations with salespeople	64	5.55	1.23	1.52	5	2	7
Exceed all sales targets and objectives during the year	63	4.79	1.23	1.52	6	1	7
Help salespeople develop their potential	64	5.56	1.19	1.42	5	2	7
Evaluating - Behaviour Based Control Variables							
Evaluate the number of sales made by salespeople	62	5.66	1.25	1.57	6	1	7
Evaluate the profit contribution achieved by each salesperson	63	5.71	1.28	1.63	6	1	7
Evaluate the sales results of each salesperson	63	5.71	1.13	1.27	5	2	7
Evaluate the quality of sales presentations made by salespeople	63	5.41	1.25	1.57	5	2	7
Evaluate the professional development of salespeople	63	5.59	1.1	1.21	5	2	7
Rewarding and Compensation Variables							
Reward salespeople based on the quality of sales activities	58	5.29	1.36	1.86	6	1	7
Reward salespeople based on the quantity of sales results	58	5.38	1.35	1.82	6	1	7
Use incentive rewards as the major means for motivating salespeople	60	5.22	1.55	2.41	6	1	7
Sales Territory Design Based Variables							
The number of accounts in managed sales territories	64	5.03	1.21	1.46	6	1	7
The number of calls made in managed sales territories	64	5	1.28	1.65	6	1	7
The equivalence in workload across managed sales territories	64	5.11	1.21	1.46	6	1	7
The overall design of managed sales territories	64	5.22	1.21	1.48	6	1	7
The number of large accounts in managed sales territories	64	5.41	1.11	1.23	6	1	7
The sales productivity in managed sales territories	64	5.28	0.98	0.97	6	1	7
The geographical size of managed sales territories	64	5.22	1.24	1.54	6	1	7
The number of territories in my sales unit	64	5.08	1.28	1.63	6	1	7
The market potential in managed sales territories	64	5.36	1.1	1.22	6	1	7
The amount of travel required in managed sales territories	64	5.16	1.38	1.91	6	1	7

Variance scores are highly dispersed in sales force effectiveness variables compared to rewarding and compensation variable that showed for export related salespeople. In particular, the following export performance variables seem to concentrate the highest scores:

- Sales Performance against the main competitor - Sales Volume
- Sales Performance against the main competitor - Profitability
- Sales Performance compared to business plans - Lost Accounts
- Sales Performance against the main competitor - Market Share

Low scores regarding variance are found in sales territory design variables and some behaviour-based sales control variables as well as per list below:

- Sales Territory Design Based Variable - The sales productivity in my territories
- Monitoring - Behaviour-based Control Variable - Observes your performance in the field
- Evaluating - Behaviour-based Control Variable - Evaluates your professional development
- Sales Territory Design Based Variable - The market potential in my territories
- Sales Territory Design Based Variable - The number of large accounts in my territories

Standard deviation figures again follow a similar pattern of the variance where sales performance variable gain high scores compared with sales territory design variables and some behaviour-based sales control variables that gain lower ones.

Comparing the scores of variance and standard deviation of salespeople and sales managers, there are significant differences in all evaluating behaviour-based sales control variables and reward and compensation variables as well as in some directing outcome-based sales control variables as follow:

- Directing - Behaviour-based Control Variable - Help salespeople develop their potential
- Evaluating - Behaviour-based Control Variable - Evaluate the number of sales made by salespeople

- Evaluating - Behaviour-based Control Variable - Evaluate the profit contribution achieved by each salesperson
- Evaluating - Behaviour-based Control Variable - Evaluate the sales results of each salesperson
- Evaluating - Behaviour-based Control Variable - Evaluate the quality of sales presentations made by salespeople
- Evaluating - Behaviour-based Control Variable - Evaluate the professional development of salespeople
- Rewarding and Compensation Variable - Reward salespeople based on the quality of sales activities
- Rewarding and Compensation Variable - Reward salespeople based on the quantity of sales results
- Rewarding and Compensation Variable - Use incentive rewards as the major means for motivating salespeople

A comparison of both means between two groups (export related salespeople and sales managers) by using independent t-test (Levene's Test for Equality of Variances) has revealed some interesting findings (Appendix C1.1). The significance value has confirmed that in the majority of the measurement constructs the variability in the two conditions (two groups) is not significantly different (value lean above .05). However, some measurement constructs (11 out of 56) as shown below are scored below .05 meaning that the variability in the two groups is significantly different. Most of the measurement constructs have to do with rewards and some outcome and behaviour-based variables as well. Therefore, it is evident that there is a significant difference in perception for these measurements constructs between the two groups (sales managers and salespeople).

Table 6.4 Sig. values less than .05

Measurement Construct	Sign.
Evaluating -Behaviour Based Control Variable - Evaluate the professional development of salespeople	,006
Behaviour Control Based Variable - Work out solutions to customers' questions	,011
Sales Territory Design Based Variable - The market potential in managed sales territories	,011
Monitoring - Behaviour Based Control Variable - Observe the performance of salespeople in the field	,014
Monitoring - Behaviour Based Control Variable - Make joint calls with salespeople	,025
Outcome Control Based Variable - Identify lucrative accounts	,030
Rewarding and Compensation Variable - Reward salespeople based on the quantity of sales results	,030
Monitoring - Behaviour Based Control Variable - Monitor the credit terms that salespeople quote customers	,031
Monitoring - Behaviour Based Control Variable - Regularly review call reports from salespeople	,034
Behaviour Control Based Variable - Work out solutions to customers' proposals	,038
Rewarding and Compensation Variable - Use incentive rewards as the major means for motivating salespeople	,040

Performing the Levene's Test for Equality of Variances, the majority of measurement constructs (45 out of 56) lean above .05, and for this reason, there is no statistically significant difference between the two groups. Thus, the differences between condition means are likely due to chance and not likely due to the IV manipulation of the test. On the contrary, a list of 14 measurement constructs performed Sig (2-Tailed) values less than .05 (gray marked in Appendix C1.1). These are the ones mentioned in Table 6.4 in addition to another eight (8) constructs:

- Monitoring - Behaviour-based Control Variable - Spend time with salespeople in the field
- Directing - Behaviour-based Control Variable - Actively participate in training salespeople on the job
- Directing - Behaviour-based Control Variable - Regularly spend time coaching salespeople
- Directing - Behaviour-based Control Variable - Discuss performance evaluations with salespeople
- Evaluating - Behaviour-based Control Variable - Evaluate the profit contribution achieved by each salesperson
- Rewarding and Compensation Variable - Reward salespeople based on the quality of sales activities
- Sales Territory Design Based Variable - The number of large accounts in managed sales territories
- Sales Territory Design Based Variable - The sales productivity in managed sales territories

Therefore, for these variables, there is a statistically significant difference between the two groups and as a result, the differences between condition means are not likely due to chance and are probably due to the IV manipulation.

The Polar extreme technique is widely used in the particular research field by several researchers to investigate potential differences between high- and low-performing export firms. Thus, independent t-test and Levene's Test for Equality of Variances has been undertaken. The Polar extreme method is a popular method in the export sales effectiveness research field (Katsikea and Skarmas, 2003; Piercy *et al.*, 1997a, b; 1998a, b; Diamantopoulos and Inglis, 1988) and has revealed numerous differences

among high- and low- effective export sales units. In this test, the groups selected were the extreme ones, the high-performing group of companies with exports more than 75% of their overall turnover (n = 33) and the low-performing group of companies with exports less than 25% of their overall turnover (n = 54). A sum of 73 firms was excluded from this test, as these firms fell between 25% and 75% export proportion in their corporate turnover. The analysis of the significance value of the measurement constructs between the two extreme groups of firms has shown that four (4) out of fifty-six (56) lean below .05 and indicates that the variability in the two groups is significantly different:

- Outcome Control Based Variable – Sell to accounts
- Behaviour Control Based Variable - Plan the structure of each sale
- Monitoring - Behaviour-based Control Variable - Observe the performance of salespeople in the field
- Monitoring - Behaviour-based Control Variable - Monitor to what extent salespeople travel

Descriptive statistics have shown some differences in export sales experience between salespeople and sales managers (Table 6.5). The mean value for the export sales experience of export managers is higher compared to salespeople, and this can be possible due to the high level of experience required for managerial positions.

Table 6.5 Sales experience in exports

Variable	Group	N	Mean	Std Dev	Variance	Range	Min	Max
How long have you held your current sales position?	Sales people	94	1,55	,77	,60	2,00	1,00	3,00
How long have you held an export sales managerial position?	Sales managers	66	1,92	,84	,71	2,00	1,00	3,00
How many years experience do you have in export sales in total?	Sales people	94	1,74	,86	,74	2,00	1,00	3,00
How many years experience do you have in export sales in total?	Sales managers	66	2,25	,84	,70	2,00	1,00	3,00

On the contrary, it seems that the standard deviation and variance are higher for the overall export sales experience of salespeople compared to sales managers, providing an impression that salespeople possess slightly higher overall export experience in comparison to export sales managers.

Concerning management's export experience, in particular, export sales managers have been self-evaluated relatively high in their ability to follow-up on trade deals in the main export markets that they operate (Table 6.6). On the contrary, they self-scored the degree of their overseas working experience low, with high variance on this construct. It

could imply that most export sales managers have a domestic experience rather than an international background.

Table 6.6 Management's export experience

Variable	N	Mean	Std Dev	Variance	Range	Min	Max
<i>How extensive is your experience of the following?</i>							
Degree of training in international business (eg. formal courses and export seminars)	66	4,19	1,77	3,14	6,00	1,00	7,00
Degree of overseas experience (live and work abroad)	66	3,82	2,24	5,00	6,00	1,00	7,00
Ability to follow-up on trade deals in the main export market	66	4,97	1,66	2,74	6,00	1,00	7,00

Concerning export orientation, the mean, standard deviation and variance measures are similar in both groups (Table 6.7). It could imply that both groups derive from similar firms regarding export orientation.

Table 6.7 Export Orientation

Variable	Group	N	Mean	Std Dev	Variance	Range	Min	Max
How much is the percentage of export sales in overall company's turnover?	Sales people	94	2,28	1,13	1,27	3,00	1,00	4,00
	Sales managers	66	2,34	1,18	1,40	3,00	1,00	4,00

As far as firm size in concern, salespeople's firm size is classified a little bit higher compared to sales managers'. However, there have been no significant differences found between these two groups (Table 6.8)

Table 6.8 Firm size

Variable	Group	N	Mean	Std Dev	Variance	Range	Min	Max
Please classify your company size (in case of contradiction, annual turnover)	Sales people	94	2,40	1,08	1,18	3,00	1,00	4,00
	Sales managers	66	2,31	,85	,73	3,00	1,00	4,00

6.5 Principal Components Analysis

Having in mind the high volume of variables for each sales force effectiveness factor of the proposed theoretical model, it is imperative to examine the elimination of the components of each SFE factor when using multivariate analysis. Therefore, a PCA has been performed following the steps of several studies in the particular field (Katsikea and Skarmeas, 2003; Guenzi *et al.*, 2014). The analysis was performed to the following measurement constructs that have more than one variable to examine:

1. Sales force effectiveness
2. Outcome-based sales control
3. Behaviour-based sales control

4. Rewards and compensation schemes
5. Sales territory design satisfaction
6. Sales management experience over exports

The measurement constructs of firm size and export sales orientation were not included in PCA as they do not consist of more than one variable and for this reason, there is no reason for components extraction. PCA analysis was performed in both groups (sales managers and salespeople) with the purpose to explore any potential differences in the number of component extraction.

6.5.1 Sales Force Effectiveness Variables

Before performing the PCA, it is important to examine whether the appropriate correlations exist so as to perform factor analysis. The Kaiser-Meyer-Olkin Measure of Sampling Adequacy (usually called the MSA) shows that both groups perform similar values of .78 and .786 meaning that the overall value is a little bit low.

Table 6.9 KMO and Bartlett's Test for Export related salespeople

KMO and Bartlett's Test for Export Sales People		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.780
Bartlett's Test of Sphericity	Approx. Chi-Square	495.995
	df	66
	Sig.	.000

Table 6.10 KMO and Bartlett's Test for Export Sales Managers

KMO and Bartlett's Test for Export Sales Managers		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.786
Bartlett's Test of Sphericity	Approx. Chi-Square	615.475
	df	66
	Sig.	.000

Table 6.11 Anti - Image Correlation Matrix for Export related salespeople

Anti - Image Correlation Matrix for Export Sales People												
	1	2	3	4	5	6	7	8	9	10	11	12
How do you evaluate your firm's export performance against your main competitor? - Sales Volume	.784^a	-.655	-.250	-.030	-.026	.120	-.104	-.013	-.075	.093	.156	-.206
How do you evaluate your firm's export performance against your main competitor? - Market Share	-.655	.791^a	-.302	-.149	.048	-.030	.038	-.053	.145	-.142	-.049	.076
How do you evaluate your firm's export performance against your main competitor? - Profitability	-.250	-.302	.842^a	-.052	.102	-.319	.074	-.099	-.263	.123	-.088	.130
How do you evaluate your firm's export performance against company's sales plans in past 24 months in terms of? - Sales Volume	-.030	-.149	-.052	.787^a	-.656	-.089	-.153	.174	.076	.022	-.112	.072
How do you evaluate your firm's export performance against company's sales plans in past 24 months in terms of? - Market Share	-.026	.048	.102	-.656	.751^a	-.230	-.006	-.125	-.195	.093	.120	-.180
How do you evaluate your firm's export performance against company's sales plans in past 24 months in terms of? - Profitability	.120	-.030	-.319	-.089	-.230	.803^a	-.226	-.180	.350	-.144	-.035	.011
How do you evaluate your firm's export performance against company's sales plans in past 24 months in terms of? - Customer satisfaction	-.104	.038	.074	-.153	-.006	-.226	.840^a	-.251	-.312	.096	.094	-.082
How do you evaluate your firm's export performance against company's sales plans in past 24 months in terms of? - New Accounts	-.013	-.053	-.099	.174	-.125	-.180	-.251	.873^a	.033	-.073	-.160	.057
How do you evaluate your firm's export performance against company's sales plans in past 24 months in terms of? - Lost Accounts	-.075	.145	-.263	.076	-.195	.350	-.312	.033	.648^a	-.426	-.116	.066
How do you evaluate your firm's export performance against company's sales plans in past 24 months in terms of? - Number of customer complaints	.093	-.142	.123	.022	.093	-.144	.096	-.073	-.426	.773^a	-.240	-.237
How do you evaluate your firm's export performance against company's sales plans in past 24 months in terms of? - Time taken to deal with customer complaints	.156	-.049	-.088	-.112	.120	-.035	.094	-.160	-.116	-.240	.733^a	-.632
How do you evaluate your firm's export performance against company's sales plans in past 24 months in terms of? - Feedback of customer complaints	-.206	.076	.130	.072	-.180	.011	-.082	.057	.066	-.237	-.632	.729^a
a. Measures of Sampling Adequacy(MSA)												

Looking into the Anti-image correlation matrices (Tables 6.11 - 6.12), all values lean above 0.7 except for one variable on salespeople group that has a value of .648 (firm's export performance against company's sales plans in the past 24 months regarding lost accounts). Streiner and Norman recommend that variables below 0.7 MSA should be removed. It is evident as well that salespeople's group appears higher MSA values (above .80) compared to sales managers' group.

Table 6.12 Anti - Image Correlation Matrix for Export Sales Managers

Anti-Image Correlation Matrix for Export Sales Managers												
	1	2	3	4	5	6	7	8	9	10	11	12
How do you evaluate your firm's export performance against your main competitor in terms of: - Sales Volume	.774^a	-.743	-.249	-.268	.255	.017	-.103	.134	-.080	.146	.138	-.210
How do you evaluate your firm's export performance against your main competitor in terms of: - Market Share	-.743	.719^a	-.281	.224	-.470	.317	-.063	.049	-.025	.061	-.192	.169
How do you evaluate your firm's export performance against your main competitor in terms of: - Profitability	-.249	-.281	.795^a	-.022	.308	-.602	.200	-.224	.003	-.290	.270	-.092
How do you evaluate your firm's export performance against company's sales plans in past 24 months in terms of: - Sales Volume	-.268	.224	-.022	.785^a	-.632	-.211	.024	.020	-.261	.131	-.427	.407
How do you evaluate your firm's export performance against company's sales plans in past 24 months in terms of: - Market Share	.255	-.470	.308	-.632	.751^a	-.310	.067	-.250	.200	-.346	.267	-.185
How do you evaluate your firm's export performance against company's sales plans in past 24 months in terms of: - Profitability	.017	.317	-.602	-.211	-.310	.786^a	-.463	.297	-.211	.225	-.067	.019
How do you evaluate your firm's export performance against company's sales plans in past 24 months in terms of: - Customer satisfaction	-.103	-.063	.200	.024	.067	-.463	.831^a	-.557	.172	-.166	-.051	.009
How do you evaluate your firm's export performance against company's sales plans in past 24 months in terms of: - New Accounts	.134	.049	-.224	.020	-.250	.297	-.557	.766^a	-.371	.218	.009	.002
How do you evaluate your firm's export performance against company's sales plans in past 24 months in terms of: - Lost Accounts	-.080	-.025	.003	-.261	.200	-.211	.172	-.371	.889^a	-.330	.102	-.259
How do you evaluate your firm's export performance against company's sales plans in past 24 months in terms of: - Number of customer complaints	.146	.061	-.290	.131	-.346	.225	-.166	.218	-.330	.847^a	-.134	-.263
How do you evaluate your firm's export performance against company's sales plans in past 24 months in terms of: - Time taken to deal with customer complaints	.138	-.192	.270	-.427	.267	-.067	-.051	.009	.102	-.134	.726^a	-.774
How do you evaluate your firm's export performance against company's sales plans in past 24 months in terms of: - Feedback of customer complaints	-.210	.169	-.092	.407	-.185	.019	.009	.002	-.259	-.263	-.774	.742^a
a. Measures of Sampling Adequacy(MSA)												

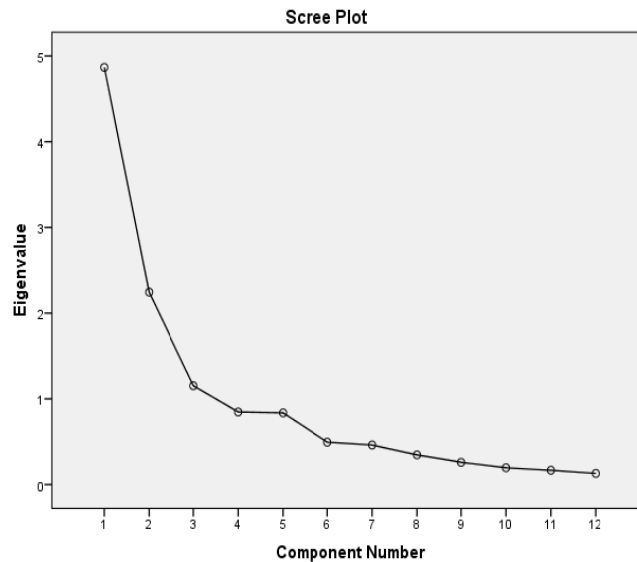
However, Bartlett's Test of Sphericity has an associated P value (sig in the tables below) of <0.001. The determinant in both cases is 0.001 but by default, SPSS reports p values of less than 0.001 as 0.000. So, from the results above it can be assumed that a valid factor analysis can be further performed.

Performing PCA analysis for export related salespeople, the first three components have eigenvalues over 1.00, and they explain 68.87 % of the overall data variability. It leads us to the conclusion that a three-factor solution is probably adequate for this measurement construct for export related salespeople. Scree plot supports this conclusion as well (Figure 6.1)

Table 6.13 Total Variance Explained for Export related salespeople

Total Variance Explained for Export Sales People							
Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings ^a
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total
1	4.867	40.557	40.557	4.867	40.557	40.557	3.241
2	2.245	18.707	59.264	2.245	18.707	59.264	3.902
3	1.153	9.607	68.871	1.153	9.607	68.871	3.691
4	.847	7.060	75.931				
5	.836	6.970	82.901				
6	.494	4.118	87.019				
7	.461	3.845	90.863				
8	.346	2.881	93.744				
9	.259	2.161	95.905				
10	.196	1.630	97.535				
11	.166	1.384	98.919				
12	.130	1.081	100.000				
Extraction Method: Principal Component Analysis.							
a. When components are correlated, sums of squared loadings cannot be added to obtain a total variance.							

Figure 6.1 Scree Plot of Sales Force Effectiveness variables for Export related salespeople



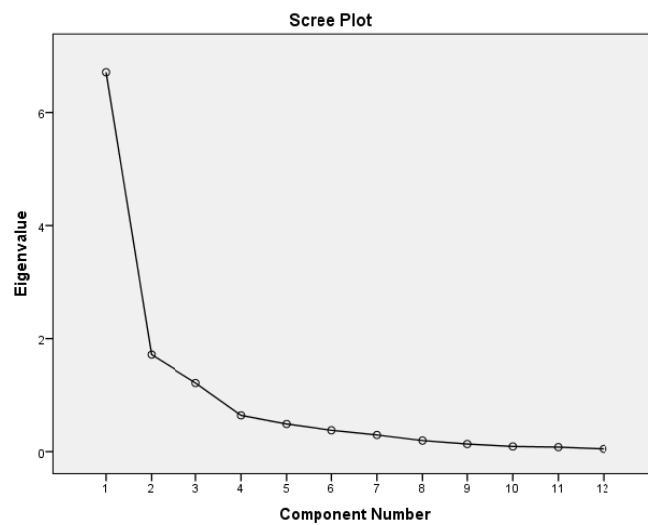
PCA for export sales managers has shown that again three components have eigenvalues over 1.00, and they explain 80.36 % of the overall data variance (compared to 68.87% of salespeople) (Table 6.14). It leads us to the conclusion that a three-factor solution is probably adequate for this measurement construct for export sales managers

as well. The scree plot is similar to export related salespeople's one with a more normal distribution between components 4 and 9 though. (Figure 6.2)

Table 6.14 Total Variance Explained for Export Sales Managers

Total Variance Explained for Export Sales Managers							
Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings ^a
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total
1	6.712	55.934	55.934	6.712	55.934	55.934	5.799
2	1.717	14.310	70.244	1.717	14.310	70.244	4.659
3	1.215	10.124	80.368	1.215	10.124	80.368	4.659
4	.642	5.351	85.719				
5	.489	4.078	89.797				
6	.378	3.151	92.948				
7	.295	2.457	95.404				
8	.196	1.632	97.036				
9	.134	1.120	98.157				
10	.092	.764	98.920				
11	.080	.665	99.586				
12	.050	.414	100.000				
Extraction Method: Principal Component Analysis.							
a. When components are correlated, sums of squared loadings cannot be added to obtain a total variance.							

Figure 6.2 Scree Plot of Sales Force Effectiveness variables for Export Sales Managers



6.5.2 Outcome-based Sales Control Variables

Referring to outcome-based control variables, the Kaiser-Meyer-Olkin Measure of Sampling Adequacy (Tables 6.15 and 6.16) revealed high values (above 0.8) of .904 and .894 meaning that the overall value is adequate for factor analysis.

Table 6.15 KMO and Bartlett's Test for Export Salespeople

KMO and Bartlett's Test for Export Sales People		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.904
Bartlett's Test of Sphericity	Approx. Chi-Square	655.246
	df	55
	Sig.	.000

Table 6.16 KMO and Bartlett's Test for Export Sales Managers

KMO and Bartlett's Test for Export Sales Managers		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.894
Bartlett's Test of Sphericity	Approx. Chi-Square	622.405
	df	55
	Sig.	.000

Table 6.17 Anti-image Correlation Matrix for Export related salespeople

Anti-image Correlation Matrix for Export Sales People											
	1	2	3	4	5	6	7	8	9	10	11
How do you evaluate your own performed sales activities? - Produce a high market share for your company	.887^a	-.213	-.455	-.098	.081	-.063	-.068	.171	-.135	.139	-.158
How do you evaluate your own performed sales activities? - Make sales of those products with the highest profit margin	-.213	.901^a	-.283	.043	-.024	-.015	-.067	-.030	.216	-.303	.063
How do you evaluate your own performed sales activities? - Generate a high level of turnover sales	-.455	-.283	.872^a	-.215	-.290	.068	-.048	-.253	-.114	.177	.006
How do you evaluate your own performed sales activities? - Quickly generate sales of new company's product and/or services	-.098	.043	-.215	.927^a	-.221	-.080	-.091	.226	-.245	-.104	-.162
How do you evaluate your own performed sales activities? - Identify accounts	.081	-.024	-.290	-.221	.932^a	-.239	.031	-.041	.070	-.052	-.069
How do you evaluate your own performed sales activities? - Prioritise accounts	-.063	-.015	.068	-.080	-.239	.904^a	-.444	-.007	.128	-.119	-.013
How do you evaluate your own performed sales activities? - Sell to accounts	-.068	-.067	-.048	-.091	.031	-.444	.917^a	-.226	-.189	-.165	.032
How do you evaluate your own performed sales activities? - Produce sales or blanket contracts with long-term profitability	.171	-.030	-.253	.226	-.041	-.007	-.226	.893^a	-.233	-.165	-.063
How do you evaluate your own performed sales activities? - Exceed all sales targets and objectives during the year	-.135	.216	-.114	-.245	.070	.128	-.189	-.233	.908^a	-.209	-.042
How do you evaluate your own performed sales activities? - Allocate sales time with customers efficiently	.139	-.303	.177	-.104	-.052	-.119	-.165	-.165	-.209	.881^a	-.405
How do you evaluate your own performed sales activities? - Make the best recovery of pending accounts	-.158	.063	.006	-.162	-.069	-.013	.032	-.063	-.042	-.405	.926^a
a. Measures of Sampling Adequacy(MSA)											

The Anti-image correlation matrices (Tables 6.17 and 6.18) for the outcome-based sale control variables have shown that all values are above 0.8 meaning that the scores are excellent, and a factor analysis can be performed including all variables.

Table 6.18 Anti-image Correlation Matrix for Export Sales Managers

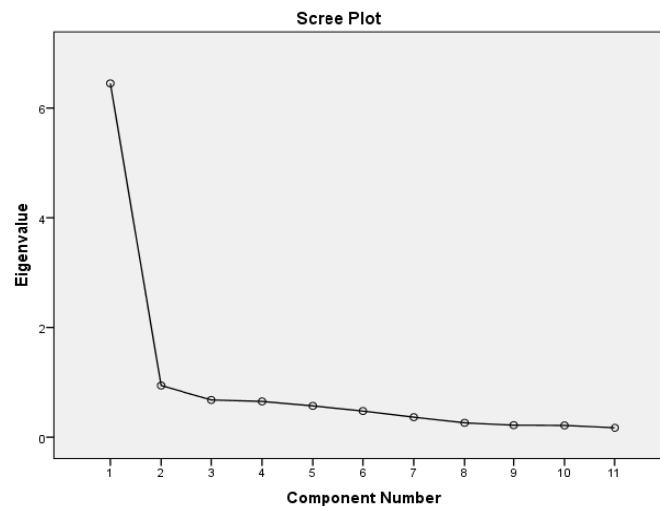
Anti-image Correlation Matrix for Export Sales Managers											
	1	2	3	4	5	6	7	8	9	10	11
How well do your salespeople perform on the following dimensions? - Produce a high market share for your company	,943^a	-.138	-.382	-.098	.179	-.110	-.174	-.038	.079	-.026	-.122
How well do your salespeople perform on the following dimensions? - Make sales of those products with the highest profit margin	-.138	,895^a	-.282	-.059	-.194	.212	-.171	.007	.365	-.144	-.210
How well do your salespeople perform on the following dimensions? - Generate a high level of turnover sales	-.382	-.282	,914^a	-.135	.008	-.152	.042	-.045	-.223	-.340	.189
How well do your salespeople perform on the following dimensions? - Quickly generate sales of new company's product and/or services	-.098	-.059	-.135	,890^a	-.384	-.196	.204	-.025	-.452	-.119	.228
How well do your salespeople perform on the following dimensions? - Identify lucrative accounts	.179	-.194	.008	-.384	,886^a	-.290	.009	-.031	.126	.149	-.387
How well do your salespeople perform on the following dimensions? - Prioritise accounts	-.110	.212	-.152	-.196	-.290	,878^a	-.501	-.083	.305	.071	-.090
How well do your salespeople perform on the following dimensions? - Sell to accounts	-.174	-.171	.042	.204	.009	-.501	,886^a	-.257	-.411	-.070	.098
How well do your salespeople perform on the following dimensions? - Produce sales or blanket contracts with long-term profitability	-.038	.007	-.045	-.025	-.031	-.083	-.257	,973^a	-.094	.057	-.098
How well do your salespeople perform on the following dimensions? - Exceed all sales targets and objectives during the year	.079	.365	-.223	-.452	.126	.305	-.411	-.094	,817^a	.074	-.484
How well do your salespeople perform on the following dimensions? - Allocate sales time with customers efficiently	-.026	-.144	-.340	-.119	.149	.071	-.070	.057	.074	,914^a	-.492
How well do your salespeople perform on the following dimensions? - Make the best recovery of pending accounts	-.122	-.210	.189	.228	-.387	-.090	.098	-.098	-.484	-.492	,860^a
a. Measures of Sampling Adequacy(MSA)											

Table 6.19 Total Variance Explained for Export Salespeople

Total Variance Explained for Export Sales People						
Component	Initial Eigenvalues			Loadings		
	Total	Variance	e %	Total	Variance	e %
1	6.450	58.639	58.639	6.450	58.639	58.639
2	.942	8.562	67.201			
3	.679	6.173	73.374			
4	.651	5.922	79.295			
5	.570	5.186	84.482			
6	.477	4.333	88.814			
7	.364	3.313	92.127			
8	.262	2.378	94.505			
9	.219	1.995	96.500			
10	.214	1.942	98.442			
11	.171	1.558	100.000			
Extraction Method: Principal Component Analysis.						

Performing PCA analysis of outcome-based sales control variables in the group of export salespeople, only the first component has an eigenvalue over 1.00 and explains 58.64 % of the overall data variability. It leads us to the conclusion that one-factor solution is probably adequate for this measurement construct for export salespeople as supported by the relevant scree plot (Figure 6.3).

Figure 6.3 Scree Plot of Outcome-based Sales Control Variables for Export Salespeople



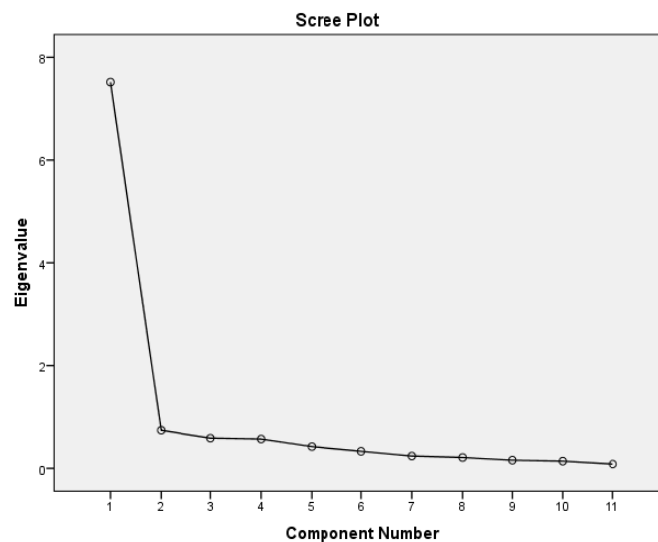
PCA for outcome-based sales control variables concerning export sales managers have indicated that (similarly to salespeople) the first component has an eigenvalue over 1.00 and explains a higher rate of 68.34 % of the overall data variance (compared to 58.64% of salespeople)

Table 6.20 Total Variance Explained for Export Sales Managers

Total Variance Explained for Export Sales Managers						
Component	Initial Eigenvalues			Loadings		
	Total	Variance	e %	Total	Variance	e %
1	7.517	68.340	68.340	7.517	68.340	68.340
2	.742	6.747	75.087			
3	.587	5.336	80.422			
4	.569	5.176	85.599			
5	.423	3.848	89.447			
6	.331	3.007	92.454			
7	.239	2.176	94.630			
8	.211	1.914	96.544			
9	.158	1.438	97.982			
10	.139	1.268	99.250			
11	.083	.750	100.000			
Extraction Method: Principal Component Analysis.						

It leads us to the conclusion that the one-factor solution is probably adequate for this measurement construct for export sales managers as well. The scree plot follows a similar pattern to the one of export salespeople's (Figure 6.4)

Figure 6.4 Scree Plot of Outcome-based Sales Control Variables for Export Sales Managers



6.5.3 Behaviour-based Sales Control Variables

Considering the behaviour-based sales control variables which are the largest set of variables among research measurement constructs, the Kaiser-Meyer-Olkin Measure of Sampling Adequacy analysis (Tables 6.21 and 6.22) illustrate high values (above 0.8) of .871 and .804 respectively meaning that the overall value is adequate for factor analysis. It is evident, though that the value for export salespeople is significantly higher compared to export sales managers.

Table 6.21 KMO and Bartlett's Test for Export Salespeople

KMO and Bartlett's Test for Export Sales People		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.871
Bartlett's Test of Sphericity	Approx. Chi-Square	2664.247
	df	496
	Sig.	.000

Table 6.22 KMO and Bartlett's Test for Export Sales Managers

KMO and Bartlett's Test for Export Sales Managers		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.804
Bartlett's Test of Sphericity	Approx. Chi-Square	2060.832
	df	496
	Sig.	.000

Additionally, the anti-image correlation matrices, as illustrated in Appendix C1.3 and C1.4, show that the behaviour-based sales control variables have figures above 0.8 for almost all variable for export salespeople apart from one behaviour-based variable (closely watches your expenses). Taking this into consideration a factor analysis is eligible to be performed due to acceptable variable values. On the other hand, sales managers' group has indicated lower figures in most variables compared to salespeople and two of them in particular very low below the acceptable threshold of 0.7 (a. Being flexible in the use of selling approaches and b. Encourage salespeople to increase their sales results by rewarding them). However, Bartlett's Test of Sphericity has an associated P value (sig in the Table 6.22) of <0.001. The determinant, in this case, is 0.013 but by default, SPSS reports p values of less than 0.001 as 0.000. So, from the results above it can be assumed that a valid factor analysis can be further performed for this group as well.

The results of the PCA for behaviour-based sales control variables in the group of export salespeople has shown that only 5 out of 32 components have eigenvalues above 1.00, and they explain 78.02% of the overall data variability for this measurement construct (Table 6.23). It concludes with the suggestion of five-factor solution which is probably adequate for the group of export salespeople as supported by the relevant scree plot (Figure 6.5).

Similarly, the group of sales managers has shown that a similar amount of components that have eigenvalues more than 1.00 (5 out of 32), representing 79,61% of the overall data variability for behaviour outcome-based variables (Table 6.24). Apart from this, the scree plot follows a similar pattern like the previous one after the second component, supporting the choice of five components for both groups (Figure 6.6)

Table 6.23 Total Variance Explained for Export Salespeople

Total Variance Explained for Export Sales People							
Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings ^a
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total
1	15.829	49.465	49.465	15.829	49.465	49.465	13.256
2	5.347	16.709	66.175	5.347	16.709	66.175	11.554
3	1.521	4.753	70.928	1.521	4.753	70.928	8.317
4	1.262	3.945	74.873	1.262	3.945	74.873	6.002
5	1.008	3.151	78.024	1.008	3.151	78.024	3.477
6	.923	2.885	80.909				
7	.711	2.222	83.130				
8	.681	2.129	85.260				
9	.538	1.682	86.942				
10	.458	1.431	88.373				
11	.446	1.395	89.768				
12	.381	1.191	90.959				
13	.330	1.032	91.991				
14	.303	.948	92.939				
15	.288	.899	93.838				
16	.267	.835	94.673				
17	.221	.690	95.363				
18	.198	.618	95.980				
19	.181	.565	96.545				
20	.171	.535	97.080				
21	.154	.482	97.563				
22	.136	.425	97.988				
23	.111	.348	98.336				
24	.102	.320	98.656				
25	.082	.258	98.914				
26	.072	.226	99.139				
27	.066	.206	99.346				
28	.054	.168	99.513				
29	.049	.153	99.667				
30	.045	.142	99.809				
31	.040	.125	99.933				
32	.021	.067	100.000				
Extraction Method: Principal Component Analysis.							
a. When components are correlated, sums of squared loadings cannot be added to obtain a total variance.							

Figure 6.5 Scree Plot of Behaviour-based Sales Control Variables for Export Salespeople

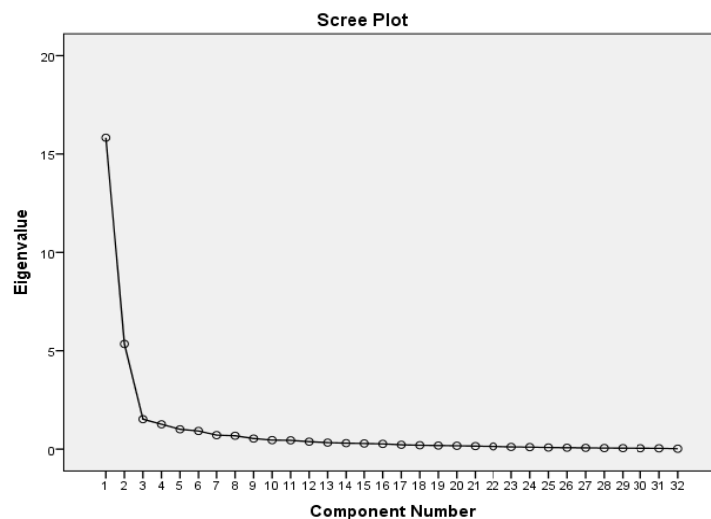
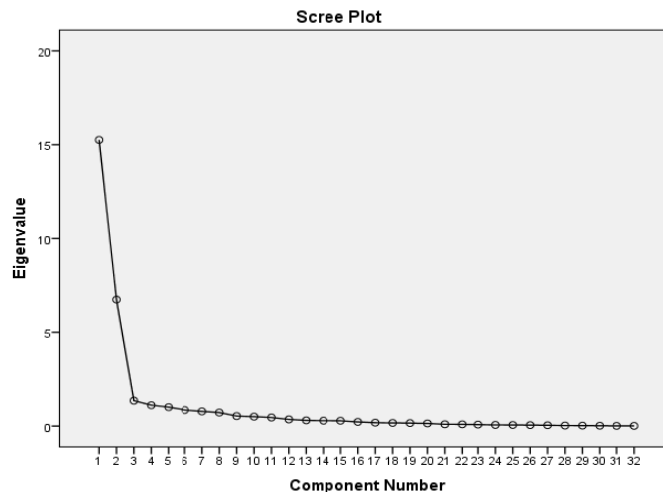


Table 6.24 Total Variance Explained for Export Sales Managers

Total Variance Explained							
Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings ^a
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	
1	15.255	47.673	47.673	15.255	47.673	47.673	12.948
2	6.743	21.072	68.745	6.743	21.072	68.745	11.704
3	1.354	4.231	72.976	1.354	4.231	72.976	5.901
4	1.113	3.478	76.455	1.113	3.478	76.455	1.184
5	1.010	3.156	79.611	1.010	3.156	79.611	1.499
6	.854	2.669	82.280				
7	.783	2.446	84.726				
8	.720	2.250	86.976				
9	.534	1.668	88.643				
10	.503	1.571	90.215				
11	.457	1.428	91.643				
12	.356	1.111	92.754				
13	.306	.956	93.710				
14	.287	.898	94.608				
15	.282	.881	95.490				
16	.222	.695	96.185				
17	.180	.562	96.747				
18	.169	.528	97.275				
19	.159	.497	97.772				
20	.142	.444	98.216				
21	.096	.301	98.517				
22	.092	.288	98.805				
23	.077	.242	99.047				
24	.062	.193	99.240				
25	.058	.182	99.422				
26	.052	.163	99.585				
27	.044	.136	99.721				
28	.028	.087	99.808				
29	.023	.073	99.881				
30	.019	.058	99.939				
31	.011	.034	99.973				
32	.009	.027	100.000				
Extraction Method: Principal Component Analysis.							
a. When components are correlated, sums of squared loadings cannot be added to obtain a total variance.							

Figure 6.6 Scree Plot of Behaviour-based Sales Control Variables for Export Sales Managers



6.5.4 Rewards and Compensation Schemes Variables

Despite the fact that variables concerning rewards and compensation are few (3 in total) and the purpose of extracting components may be not needed, it is imperative though to make use only of usable components in the multivariate analysis that follows. The Kaiser-Meyer-Olkin Measure of Sampling Adequacy analysis (Tables 6.25 and 6.26) demonstrates low values (below 0.8) of .727 and .729 respectively meaning that the overall value is moderately adequate for factor analysis.

Table 6.25 KMO and Bartlett's Test for Export Salespeople

KMO and Bartlett's Test for Export Sales People		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.727
Bartlett's Test of Sphericity	Approx. Chi-Square	265.629
	df	3
	Sig.	.000

Table 6.26 KMO and Bartlett's Test for Export Salespeople

KMO and Bartlett's Test for Export Sales Managers		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.729
Bartlett's Test of Sphericity	Approx. Chi-Square	136.914
	df	3
	Sig.	.000

Focusing further on the anti-image correlation matrices, as illustrated in Tables 6.27 and 6.28, it can be adduced that these variables have figures ranging between 0.65 and 0.82. It implies that a factor analysis can be implemented, but the second component should be likely omitted. Taking this into consideration a factor analysis is eligible to be performed due to acceptable overall variable values. Alike, sales managers' group illustrates similar figures for all 3 variables compared to salespeople. However, Bartlett's Test of Sphericity has an associated P value (sig in the Tables 6.25 and 6.26) of <0.001. The determinant in both cases is 0.43 and 0.76 respectively, but by default, SPSS reports p values of less than 0.001 as 0.000. So, from the results above it can be assumed that a valid factor analysis can be performed for this measurement construct as well.

Table 6.27 Anti-image Correlation Matrix for Export Salespeople

Anti-image Correlation Matrix for Export Sales People			
	1	2	3
To what extent does your manager undertake the following activities? - Rewards you based on the quality of your sales activities	,735^a	-.726	-.061
To what extent does your manager undertake the following activities? - Rewards you based on the quantity of your sales results	-.726	,656^a	-.549
To what extent does your manager undertake the following activities? - Uses non-financial incentives to reward you for your achievements	-.061	-.549	,820^a
a. Measures of Sampling Adequacy(MSA)			

Table 6.28 Anti-image Correlation Matrix for Export Sales Managers

Anti-image Correlation Matrix for Sales Managers			
	1	2	3
To what extent do you manage the following issues? - Reward salespeople based on the quality of sales activities	,735^a	-.682	-.122
To what extent do you manage the following issues? - Reward salespeople based on the quantity of sales results	-.682	,664^a	-.513
To what extent do you manage the following issues? - Use incentive rewards as the major means for motivating salespeople	-.122	-.513	,817^a
a. Measures of Sampling Adequacy(MSA)			

PCA results in the examined variables for salespeople and sales managers demonstrate that one component has eigenvalue more than 1.00 and explains 90.63% and 87.70% of the overall data variability for this measurement construct for both groups (Tables 6.29 and 6.30). It results in the proposal of one-factor solution which is probably adequate for both groups of export sales people and sales managers.

Table 6.29 Total Variance Explained for Export Salespeople

Total Variance Explained for Export Sales People						
Component	Initial Eigenvalues			Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	2.719	90.630	90.630	2.719	90.630	90.630
2	.205	6.817	97.446			
3	.077	2.554	100.000			
Extraction Method: Principal Component Analysis.						

Table 6.30 Total Variance Explained for Export Sales Managers

Total Variance Explained for Export Sales Managers						
Component	Initial Eigenvalues			Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	2.631	87.708	87.708	2.631	87.708	87.708
2	.256	8.517	96.225			
3	.113	3.775	100.000			
Extraction Method: Principal Component Analysis.						

Relevant scree plots for both groups support the proposal mentioned above for a one-factor solution. (Figures 6.7 and 6.8).

Figure 6.7 Scree Plot of Rewards and Compensation Variables for Export Salespeople

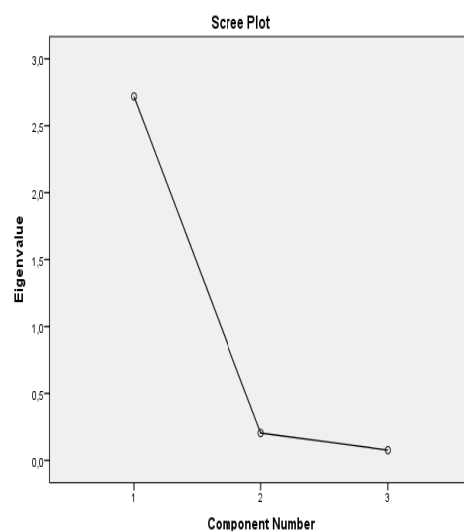
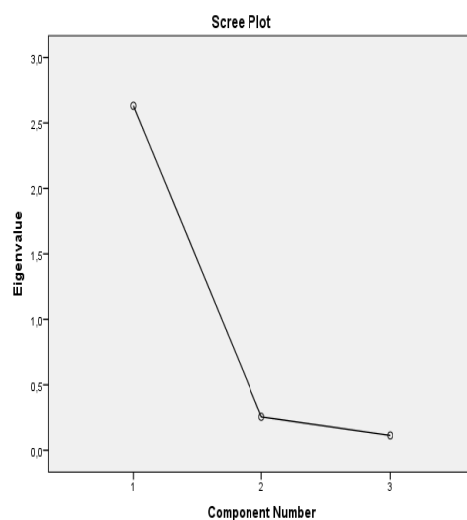


Figure 6.8 Scree Plot of Rewards and Compensation Variables for Export Sales Manager



6.5.5 Sales Territory Design Satisfaction Variables

As this measurement construct consists of 11 components, there is a need for variables deduction. Having performed the Kaiser-Meyer-Olkin Measure of Sampling Adequacy analysis (Tables 6.31 and 6.32), the overall values in both groups are relatively high (below 0.8) of .911 and .892 respectively, proposing that an adequate factor analysis can be further attained.

Table 6.31 KMO and Bartlett's Test for Export Salespeople

KMO and Bartlett's Test for Export Sales People		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.911
Bartlett's Test of Sphericity	Approx. Chi-Square	786.426
	df	45
	Sig.	.000

Table 6.32 KMO and Bartlett's Test for Export Sales Managers

KMO and Bartlett's Test for Export Sales Managers		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.892
Bartlett's Test of Sphericity	Approx. Chi-Square	541.826
	df	45
	Sig.	.000

Table 6.33 Anti-image Correlation Matrix for Export Salespeople

Anti-image Correlation Matrix for Export Sales People										
	1	2	3	4	5	6	7	8	9	10
To what extent are you satisfied with? - The number of accounts in my territories (sales area)	,930^a	-.303	-.085	.017	-.112	-.342	.087	.056	-.165	-.060
To what extent are you satisfied with? - The number of calls made in my territories	-.303	,927^a	-.390	-.048	.128	-.069	-.080	-.138	.012	-.149
To what extent are you satisfied with? - The equivalence in workload across territories	-.085	-.390	,919^a	-.310	-.188	.147	-.023	-.020	.052	-.146
To what extent are you satisfied with? - The overall design (structure) of my sales territories	.017	-.048	-.310	,907^a	-.449	.068	.136	-.241	-.006	-.106
To what extent are you satisfied with? - The number of large accounts in my territories	-.112	.128	-.188	-.449	,878^a	-.472	-.042	.147	-.148	.021
To what extent are you satisfied with? - The sales productivity in my territories	-.342	-.069	.147	.068	-.472	,888^a	-.247	-.123	.114	.093
To what extent are you satisfied with? - The geographical size of my territories	.087	-.080	-.023	.136	-.042	-.247	,890^a	-.585	-.191	-.128
To what extent are you satisfied with? - The number of sales territories in my area of responsibilities	.056	-.138	-.020	-.241	.147	-.123	-.585	,889^a	-.250	-.054
To what extent are you satisfied with? - The market potential in my territories	-.165	.012	.052	-.006	-.148	.114	-.191	-.250	,950^a	-.019
To what extent are you satisfied with? - The amount of travel required in my territories	-.060	-.149	-.146	-.106	.021	.093	-.128	-.054	-.019	,969^a
a. Measures of Sampling Adequacy(MSA)										

Similarly, the anti-image correlation matrices have shown that the sales territory design satisfaction variables have figures above 0.8 optimum thresholds for all variables and in most cases they exceed 0.9 in both groups. Therefore, a factor analysis is highly eligible to be performed due to acceptable variable values in all variables.

Table 6.34 Anti-image Correlation Matrix for Export Sales Managers

Anti-image Correlation Matrix for Export Sales Managers										
	1	2	3	4	5	6	7	8	9	10
To what extent are you satisfied with? - The number of accounts in managed sales territories	,857^a	-.611	-.257	-.208	-.088	.166	-.244	-.082	.133	.093
To what extent are you satisfied with? - The number of calls made in managed sales territories	-.611	,869^a	-.012	.084	-.038	-.168	.144	.035	-.100	-.121
To what extent are you satisfied with? - The equivalence in workload across managed sales territories	-.257	-.012	,911^a	-.252	-.282	.114	.195	.023	-.136	-.114
To what extent are you satisfied with? - The overall design of managed sales territories	-.208	.084	-.252	,924^a	-.063	-.419	-.037	.064	-.040	-.183
To what extent are you satisfied with? - The number of large accounts in managed sales territories	-.088	-.038	-.282	-.063	,879^a	-.474	.089	-.276	-.204	.298
To what extent are you satisfied with? - The sales productivity in managed sales territories	.166	-.168	.114	-.419	-.474	,881^a	-.095	.033	.068	-.171
To what extent are you satisfied with? - The geographical size of managed sales territories	-.244	.144	.195	-.037	.089	-.095	,870^a	-.596	-.097	-.198
To what extent are you satisfied with? - The number of territories in my sales unit	-.082	.035	.023	.064	-.276	.033	-.596	,886^a	-.134	-.259
To what extent are you satisfied with? - The market potential in managed sales territories	.133	-.100	-.136	-.040	-.204	.068	-.097	-.134	,945^a	-.292
To what extent are you satisfied with? - The amount of travel required in managed sales territories	.093	-.121	-.114	-.183	.298	-.171	-.198	-.259	-.292	,907^a
a. Measures of Sampling Adequacy(MSA)										

Table 6.35 Total Variance Explained for Export Salespeople

Total Variance Explained for Export Sales People						
Component	Initial Eigenvalues			Loadings		
	Total	% of Variance	%	Total	% of Variance	e %
1	6.733	67.328	67.328	6.733	67.328	67.328
2	.733	7.327	74.655			
3	.688	6.875	81.531			
4	.451	4.513	86.044			
5	.385	3.845	89.889			
6	.370	3.701	93.590			
7	.206	2.056	95.646			
8	.182	1.818	97.464			
9	.141	1.410	98.874			
10	.113	1.126	100.000			
Extraction Method: Principal Component Analysis.						

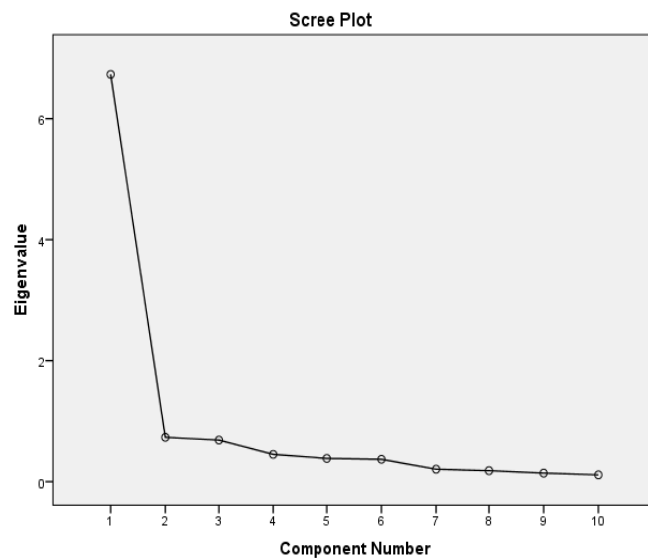
PCA analysis for sales territory design satisfaction variables for both groups shows that one component is extracted. This is because it has eigenvalue more than 1.00 and explains approximately the same percentage of the overall data variability for this measurement construct; 67.32% for export salespeople and 66.39 for export sales

managers (Tables 6.35 and 6.36). It concludes with the suggestion one-factor solution which is probably adequate for both groups of export salespeople and sales managers.

Table 6.36 Total Variance Explained for Export Sales Managers

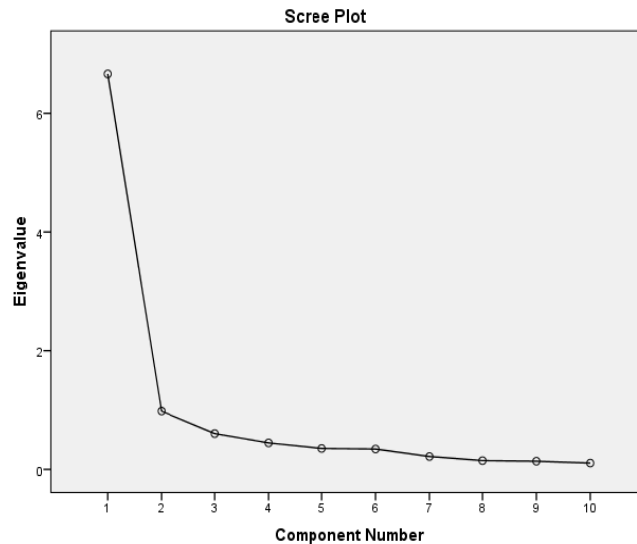
Total Variance Explained for Export Sales Managers						
Component	Initial Eigenvalues			Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	6.664	66.639	66.639	6.664	66.639	66.639
2	.982	9.823	76.461			
3	.603	6.027	82.488			
4	.446	4.464	86.952			
5	.353	3.526	90.479			
6	.344	3.435	93.914			
7	.217	2.167	96.081			
8	.148	1.479	97.560			
9	.138	1.378	98.938			
10	.106	1.062	100.000			
Extraction Method: Principal Component Analysis.						

Figure 6.9 Scree Plot of Sales Territory Design Satisfaction Variables for Export Salespeople



By the above suggestion, scree plots of both groups further support the one-factor solution, as in both cases the breakeven point lies on the second component (Figures 6.9 and 6.10).

Figure 6.10 Scree Plot of Sales Territory Design Satisfaction Variables for Export Sales Managers



6.5.6 Sales Management Experience over Exports Variables

The particular measurement construct can be measured only for the group of export sales managers as the variables concerned examined on the particular group. Therefore, no comparison between both groups can be attained compared to previous measurement constructs. The Kaiser-Meyer-Olkin Measure of Sampling Adequacy has indicated a very low overall score of 0.635.

Table 6.37 KMO and Bartlett's Test for Export Sales Managers

KMO and Bartlett's Test for Export Sales Managers		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.635
Bartlett's Test of Sphericity	Approx. Chi-Square	39.464
	df	3
	Sig.	.000

The anti-image correlation matrix shows only one variable lie above 0.7 (acceptable threshold) and the other two marginally above 0.6. Taking into consideration that below 0.5 values are miserable, it is important to see whether Bartlett's Test of Sphericity has an associated P value (sig. in the table) of <0.001 as by default SPSS reports p values

of less than 0.001 as 0.000. So from the above results, it can be proposed that a valid factor analysis can be further performed.

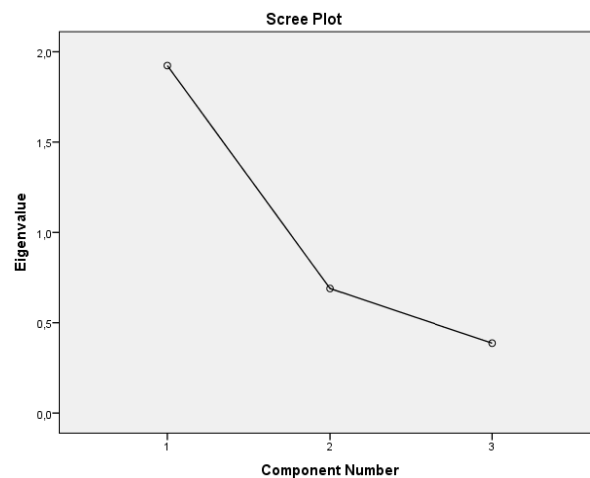
Table 6.38 Anti-image Correlation Matrix for Export Sales Managers

Anti-image Correlation Matrix for Export Sales Managers			
	1	2	3
How extensive is your experience of the following? - Degree of training in international business (eg. formal courses and export seminars)	,606 ^a	-.178	-.548
How extensive is your experience of the following? - Degree of overseas experience (live and work abroad)	-.178	,779 ^a	-.224
How extensive is your experience of the following? - Ability to follow-up on trade deals in the main export market	-.548	-.224	,601 ^a
a. Measures of Sampling Adequacy(MSA)			

Table 6.39 Total Variance Explained for Export Sales Managers

Total Variance Explained for Export Sales Managers						
Component	Initial Eigenvalues			Loadings		
	Total	Variance	e %	Total	Variance	e %
1	1.924	64.118	64.118	1.924	64.118	64.118
2	.689	22.981	87.099			
3	.387	12.901	100.000			
Extraction Method: Principal Component Analysis.						

Figure 6.11 Scree Plot of Sales Management Experience over Exports Variables for Export Sales Managers



Examining the analysis of PCA, one out of three variables has an eigenvalue above 1.00 explaining the 64.11% of the overall data variability for this measurement construct, by suggesting a one-factor solution.

However, as the breakdown point in the second component is not so sharp (Figure 6.11) compared to previous scree plots, a two-factor solution is proposed so as to increase the percentage of the overall data variability for this measurement construct to 87.099%.

6.5.7 PCA Summary Findings

Having performed the PCA in all six (6) measurement constructs that have more than one variable, the following list of variables has been extracted for each measurement construct to be examined further in inferential statistics:

1. Sales force effectiveness
 - a. How do you evaluate your firm's export performance against your main competitor in terms of - Sales Volume
 - b. How do you evaluate your firm's export performance against your main competitor in terms of - Market Share
 - c. How do you evaluate your firm's export performance against your main competitor in terms of - Profitability
2. Outcome-based sales control
 - a. Produce a high market share for your company
3. Behaviour-based sales control
 - a. Have knowledge of the design and/or specifications of company products and/or services
 - b. Have knowledge of the applications and/or functions of company products and/or services
 - c. Communicate your sales presentation clearly and concisely
 - d. Work out solutions to customers' questions
 - e. Work out solutions to customers' objections
4. Rewards and compensation schemes
 - a. Rewards you based on the quality of your sales activities
5. Sales territory design satisfaction
 - a. The number of accounts in my territories (sales area)
6. Sales management experience over exports

- a. Degree of training in international business (e.g., formal courses and export seminars)
- b. Degree of overseas experience (live and work abroad)

6.6 Correlation matrix and reliability estimates

A bivariate correlation analysis is performed so as to identify the probable correlations – relationships among variables and test the predefined hypotheses. This method (uni-/bivariate) is widely used by export research studies (33.5%) so as to identify potential correlations among variables (Leonidou and Katsikeas, 2010). The correlation (Appendix C1.5) matrix reveals significant positive correlations ($p < 0.01$) between export sales effectiveness and (1) behaviour-based sales control, (2) outcome-based sales control, (3) rewards and compensation schemes, (4) sales territory design satisfaction, and (5) firm size. On the contrary, no significant correlations ($p > 0.05$) have been found between export sales effectiveness and (1) export orientation of sales strategy, (2) sales management experience over exports. It is notable to mention the significant positive correlation ($p < 0.01$) between behaviour-based sales control and (1) outcome-based sales control, (2) sales territory design satisfaction, and (3) firm size. Outcome-based sales control is also significantly positively correlated ($p < 0.01$) with (1) sales territory design satisfaction, and (2) firm size. Finally, an important correlation has been identified between firm size and sales territory design satisfaction.

Similarly, an extreme polar technique has been used to the one described in section 6.8, so as to diagnose any potential differences between high- and low-performing export firms. A correlation analysis has been performed in these two extreme groups (high- and low-performing) which are presented in Appendices C1.6, C1.7. The results have found only one common significant positive correlation ($p < 0.05$), between export sales effectiveness and sales territory satisfaction. In low-performing export firms, a significant positive correlation exists between behaviour-based sales control ($p < 0.01$) and export sales effectiveness. In high-performing export firms, significant positive correlations exist between (1) rewards and compensation schemes, (2) firm size ($p < 0.05$) and export sales effectiveness. Despite the fact that no significant correlations have been observed between export sales effectiveness and other variables compared to the overall sample population, it is evident that a strong positive relationship exists

between behaviour-based sales control and (1) outcome-based sales control, (2) rewards and compensation schemes in all correlation matrices. Analysis has also revealed a strong positive relationship between rewards and compensation schemes and outcome-based sales control.

6.7 Linear regression analysis – Ordinary Least Squares (OLS) – Operational Hypothesis testing

After having performed descriptive statistics thoroughly, PCA analysis and correlation analysis with reliability estimates, a regression analysis is performed to crosscheck correlation analysis' findings. Regression is a useful tool for examining the relationship between two or more intervals/ratio variables assuming that there is a linear relationship between the two variables. Based on the primary assumption of OLS that that there are zero or negligible errors in the independent variable, this method reveals the linear relationship among the variables tested to support the proposed research hypotheses. Testing the linear regression of research hypotheses, the average mean of the measurement constructs of sales force effectiveness was tested against the measurement constructs of the SFE factors extracted from the PCA analysis.

Table 6.40 Results of OLS analysis

Standardised Path Coefficients of Proposed Model	β	t-value	p-value	Y-intercept	R ²
H₁ Behaviour based sales control					
Have knowledge of the design and/or specifications of company products and/or services	0.31	4.29	0.000	3.32	0.11
Have knowledge of the applications and/or functions of company products and/or services	0.31	4.37	0.000	3.38	0.12
Communicate your sales presentation clearly and concisely	0.27	3.96	0.000	3.35	0.1
Work out solutions to customers' questions	0.27	3.94	0.000	3.7	0.1
Work out solutions to customers' objections	0.19	2.8	0.006	4.02	0.05
H₂ Outcome based sales control					
Produce a high market share for your company	0.29	3.79	0.000	2.4	0.09
H₃ Rewards and compensation schemes					
Rewards you based on the quality of your sales activities	0.25	2.88	0.005	3.73	0.06
H₄ Sales territory design satisfaction					
The number of accounts in my territories (sales area)	0.33	5.23	0.000	3.31	0.17
H₅ Firm size					
	0.20	2.50	0.014	4.16	0.04
H₆ Export orientation of sales strategy					
	-0.15	-1.78	0.077	5.49	0.02
H₇ Sales management experience over exports					
Degree of training in international business (eg. formal courses and export seminars)	0.2	1.51	0.135	3.31	0.02
Degree of overseas experience (live and work abroad)	0.22	1.22	0.126	2.83	0.01

Table 6.40 shows the ordinary least square results of the hypothesized path coefficients. Test results show that most of the hypothesized path coefficients regarding behaviour sales control, outcome sales control, rewards and compensation schemes, sales territory design satisfaction and firm size except one behaviour-based sales control variable (work out solutions to customers' objections) are significant ($p < 0.05$). They are above 0.20 as recommended by Chin (1998). However, the variables concerning the sales

management experience over exports are not significant ($p > 0.05$) despite the fact that they are above 0.20 acceptable intercepts. Furthermore, export orientation of sales strategy variable lies at a negative standardized coefficient (-0.15) and is not significant ($p > 0.05$). It is evident, though that the relationship between sales force effectiveness and variables is positive due to positive β values apart from the export orientation of sales strategy in all hypothesized path coefficients. The predictive power of the proposed structural model regarding variance explained (R^2) is between 0.02 and 0.17 meaning that yield within an acceptable level.

Regarding the behaviour-based sales control positively influences export sales effectiveness ($\beta = .19, .27$ and $.31, p < 0.05$ and $p < 0.10$) and suggests rejecting the null hypothesis that there is no relationship between the two variables and accepting the *alternative hypothesis* that:

- There is a significant relationship between behaviour-based sales control and export sales effectiveness

Additionally, outcome-based sales control positively affects the export sales effectiveness ($\beta = .29, p < 0.05$ which is less than a standard alpha of .05) and suggests rejecting the null hypothesis that there is no relationship between the two variables and accepting the *alternative hypothesis* that:

- There is a significant relationship between outcome-based sales control and export sales effectiveness

As far as rewards and compensation schemes, it seems that this variable positively impacts the export sales effectiveness ($\beta = .25, p < 0.05$ which is less than a standard alpha of .05) and suggests rejecting the null hypothesis that there is no relationship between the two variables and accepting the *alternative hypothesis* that:

- There is a significant relationship between rewards and compensation schemes and export sales effectiveness

Similarly, sales territory design satisfaction positively affects the export sales effectiveness ($\beta = .33$) at $p < 0.05$ which is less than a standard alpha of .05 and

suggests rejecting the null hypothesis that there is no relationship between the two variables and accepting the *alternative hypothesis* that:

- There is a significant relationship between sales territory design satisfaction and export sales effectiveness

Concerning firm size, it positively affects the export sales effectiveness ($\beta = .20$, $p < 0.05$ which is less than a standard alpha of .05) and suggests rejecting the null hypothesis that there is no relationship between the two variables and accepting the *alternative hypothesis* that:

- There is a significant relationship between firm size and export sales effectiveness

On the contrary, export orientation of sales strategy seems to show moderate significant negative impact on the export sales force effectiveness ($\beta = -.15$, $p < 0.10$ which is higher than a standard alpha of .05) and supports the *null hypothesis* that:

- There is no significant relationship between export orientation of sales strategy and export sales effectiveness

On the same mode, variables concerning sales management experience over exports have shown no significant positive impact on the export sales force effectiveness ($\beta = .20$ and 0.22 , $p > 0.10$ which is higher than a standard alpha of .05) and supports the *null hypothesis* that:

- There is no significant relationship between sales management experience in exports and export sales effectiveness

Summarizing above OLS and correlation analysis's findings (Table 6.41), a significant positive relationship exists between (1) behaviour- and (2) outcome-based control, (3) reward and compensation schemes, (4) sales territory design satisfaction, (5) firm size and export sales effectiveness.

On the contrary, OLS revealed no significant positive relationship between sales management experience in exports and export sales effectiveness and moreover

moderate significant negative relationship between the export orientation of sales strategy and export sales effectiveness.

Table 6.41 Standardized Path Coefficients of Structural Model

Standardised Path Coefficients of Proposed Model	Expected Relationship	Hypothesis test
<i>H₁ Behaviour based sales control → export sales effectiveness</i>	+	Supported
<i>H₂ Outcome based sales control → export sales effectiveness</i>	+	Supported
<i>H₃ Rewards and compensation schemes → export sales effectiveness</i>	+	Supported
<i>H₄ Sales territory design satisfaction → export sales effectiveness</i>	+	Supported
<i>H₅ Firm size → export sales effectiveness</i>	+	Supported
<i>H₆ Export orientation of sales strategy → export sales effectiveness</i>	+	Not supported
<i>H₇ Sales management experience over exports → export sales effectiveness</i>	+	Not supported

6.8 Multiple discriminant analysis

Taking into account the hypothesis testing by using regression analysis, it is imperative to test these hypotheses via the tool of multiple discriminant analysis so as to investigate further potential differences among high and low export efficient firms. The multivariate analysis considered to be very popular in export research community with an overall increasing trend in use more than 67.4% over the last decade (Leonidou and Katsikeas, 2010). A similar study (Katsikea and Skarmeas, 2003) has made use of the same approach to identify potential differences between high and low sales effectiveness in export units relied on the methodology of previous researchers (Piercy *et al.*, 1997a, b, 1998a, b; Diamantopoulos and Inglis, 1988). This study makes use of several approaches to separate the sample into groups. The first attempt is similar to the one adopted by Katsikea and Skarmeas (2003) by using the extreme polar technique to identify potential differences that cannot be revealed in a regression analysis. The sample was divided into three groups relied on the frequency distribution of the export sales effectiveness scale. Then, the test was performed in the most extreme groups (gathering responses from the very low scales up to three points on a seven-point scale and the very high scales from five points and above on a seven-point scale). Table 6.42 figures the results of multiple discriminant analysis by using the extreme polar method.

Table 6.42 Results of multiple discriminant analysis by using the extreme polar method

	High effectiveness export sales units	Low effectiveness export sales units	Wilks' lambda	F	Sig	Discriminant loadings
<i>Standardised Path Coefficients of Proposed Model</i>						
<i>H₁ Behaviour based sales control → export sales effectiveness</i>						
Have knowledge of the design and specifications of company products and/or services	5.00	4.43	0.93	1.78	0.18	-0.27
Have knowledge of the applications and functions of company products and/or services	5.14	4.21	0.89	3.21	0.05	0.07
Communicate their sales presentation clearly and concisely	4.82	4.36	0.97	0.90	0.41	-0.67
Work out solutions to customers' questions	5.18	4.07	0.89	3.02	0.06	1.90
Work out solutions to customers' objections	5.00	4.36	0.94	1.51	0.23	-0.97
<i>H₂ Outcome based sales control → export sales effectiveness</i>						
Produce a high market share for your company	4.25	3.29	0.90	2.92	0.063	-0.095
<i>H₃ Rewards and compensation schemes → export sales effectiveness</i>						
Reward salespeople based on the quality of sales activities	5.43	4.93	0.97	0.82	0.45	0.157
<i>H₄ Sales territory design satisfaction → export sales effectiveness</i>						
The number of accounts in managed sales territories	5.50	4.36	0.83	5.08	0.1	0.432
<i>H₅ Firm size → export sales effectiveness</i>						
	2.56	2.14	0.98	2.06	0.132	0.167
<i>H₆ Export orientation of sales strategy → export sales effectiveness</i>						
	2.48	3.03	0.96	2.70	0.071	0.191
<i>H₇ Sales management experience over exports → export sales effectiveness</i>						
Degree of training in international business (eg. formal courses and export seminars)	4.36	4.07	0.95	1.38	0.261	0.21
Degree of overseas experience (live and work abroad)	4.25	3.29	0.93	1.95	0.153	-0.11

It can be identified that the univariate F-ratio of the behaviour-based control variable (knowledge of the applications and functions of company products and/or services) differs significantly between the two groups ($p < 0.05$). Moreover, some behaviour-based control variables (1. knowledge of the design and specifications of company products and/or services, 2. work out solutions to customers' questions), sales territory design satisfaction and export orientation of sales strategy variable differ moderately between groups ($p < 0.10$). On the contrary, no major significant differences were found between groups referring to outcome-based control, rewards and compensation schemes, firm size and sales management experience over exports ($p > 0.10$).

A classification matrix (Table 6.43) is presented to show the proportion of cases correctly classified by the particular structural model so as to confirm the discriminant function of the performed multiple discriminant analysis. Results show that 71.7% of the original grouped cases were correctly classified which is rather significantly higher than the proportional chance (56.22%) and maximum chance (32.55%). These results provide sufficient supportive evidence that the performed test is a valid tool for the identification of potential differences among high- and low-performing export firms.

Table 6.43 Classification results of multiple discriminant analysis by using the extreme polar method

	Predicted Group				
Actual Group	Low effectiveness export sales units		High effectiveness export sales units		Actual Total
	<i>n</i>	%	<i>n</i>	%	
Low effectiveness export sales units	10	90.9	1	9.1	11
High effectiveness export sales units	3	13.04	20	86.96	23
	13		21		34

71,7% of original grouped cases correctly classified

Proportional chance criterion: $(11/34)^2 + (23/34)^2 = 56.22\%$

Maximum chance criterion: $11/34 = 32.35\%$

A second attempt relied on the division of the sample into two groups in the cut point of a mean of four (4) out of a seven-point scale in export sales effectiveness. The purpose was to identify whether the above differences still exist between high and low export efficient sales units. Table 6.44 shows that the univariate F-ratios of examining variables differ significantly between the two groups. The behaviour-based control variables, outcome-based control variable, and sales territory design satisfaction variable have values $p < 0.05$. Furthermore, firm size and export orientation of sales strategy variable differ moderately between groups ($p < 0.10$). As for all the rest of the variables were found to have no significant differences between the two groups ($p > 0.10$).

Table 6.44 Results of multiple discriminant analysis by using a cut point technique

	High effectiveness export sales units	Low effectiveness export sales units	Wilks' lambda	F	Sig	Discriminant loadings
<i>Standardised Path Coefficients of Proposed Model</i>						
<i>H₁ Behaviour based sales control → export sales effectiveness</i>						
Have knowledge of the design and specifications of company products and/or services	4.86	4.33	0.97	1.76	0.19	-1321
Have knowledge of the applications and functions of company products and/or services	5.06	4.00	0.87	7.54	0.008	1316
Communicate their sales presentation clearly and concisely	4.77	4.22	0.96	1.96	0.168	-0.497
Work out solutions to customers' questions	5.09	4.11	0.90	5.73	0.02	1153
Work out solutions to customers' objections	4.89	4.33	0.96	2.02	0.161	-0.653
<i>H₂ Outcome based sales control → export sales effectiveness</i>						
Produce a high market share for your company	4.17	3.06	0.88	7.26	0.01	0.235
<i>H₃ Rewards and compensation schemes → export sales effectiveness</i>						
Reward salespeople based on the quality of sales activities	5.00	5.49	0.97	1.54	0.22	0.223
<i>H₄ Sales territory design satisfaction → export sales effectiveness</i>						
The number of accounts in managed sales territories	5.43	4.33	0.81	11.62	0.001	0.487
<i>H₅ Firm size → export sales effectiveness</i>						
	2.53	2.18	0.97	3.81	0.053	0.161
<i>H₆ Export orientation of sales strategy → export sales effectiveness</i>						
	2.61	2.82	0.99	0.94	0.335	0.081
<i>H₇ Sales management experience over exports → export sales effectiveness</i>						
Degree of training in international business (eg. formal courses and export seminars)	4.57	3.94	0.97	1.70	0.197	0.352
Degree of overseas experience (live and work abroad)	4.00	3.89	0.99	0.29	0.866	-0.293

The classification matrix below (Table 6.45) is a validated model of the previous technique with the purpose to confirm the discriminant function of the performed multiple discriminant analysis. It signifies that 73.1% of the original grouped cases were correctly classified which is rather significantly higher than the proportional chance (60.64%) and maximum chance (26.89%). For this reason, there is sufficient validity of the performed test in the examination of high- and low-performing export sales units.

Table 6.45 Classification results of multiple discriminant analysis by using a cut point technique

	Predicted Group				
Actual Group	Low effectiveness export sales units		High effectiveness export sales units		Actual Total
	<i>n</i>	%	<i>n</i>	%	
Low effectiveness export sales units	19	48.7	20	51.3	39
High effectiveness export sales units	19	17.9	87	82.1	106
	38		107		145

73,1% of original grouped cases correctly classified

Proportional chance criterion: $(39/145)^2 + (106/145)^2 = 60.64\%$

Maximum chance criterion: $39/145 = 26.89\%$

Comparing the results above, both techniques have found significant differences in behaviour-based sales control variables between high- and low-performing export sales units. Similarly, both techniques have revealed moderate differences in export orientation of sales strategy between groups. On the contrary, no major significant differences were found between groups referring to rewards and compensation schemes for salespeople, firm size, and sales management experience over exports ($p > 0.10$). A controversy exists referring to sales territory design satisfaction, as the first technique reveals the moderate difference between groups ($p = 0.10$), whereas the second technique indicates a significant difference between groups ($p = 0.001$). Similarly, outcome-based control variable appears to be moderate significantly different between groups in the first technique ($p = 0.063$), whereas it appears to be highly significantly different between groups in the second technique ($p = 0.01$). Firm size seems to be no significant difference between groups in the first technique ($p = 0.132$), whereas it appears to be moderate significantly different between groups in the second technique ($p = 0.053$).

6.9 Moderating Effects of Export Performance

Taking into consideration the above differences between firm export groups derived from the multiple discriminant analysis techniques, it is interesting to investigate any potential moderating effects of sales unit's export performance that between variables and export sales effectiveness. Hypotheses have been tested by using multiple group analysis, splitting the sample as per extreme polar method used above. Each variable has been tested against export sales effectiveness in each group (high and low effectiveness export units) that represents the intensity of export performance (high and

low). Differences between standardized coefficients and t-values have been calculated so as to understand the moderating effect of each variable between groups. Table 6.46 below shows the main results of the moderation analysis.

Table 6.46 Results of Multiple Group Moderation Analysis

Main Effect	Hypothesized Moderating Effect	Low Intensity of Export Performance	High Intensity of Export Performance
H1: Behaviour control of sales management in export sales units → export sales effectiveness.	Effect is stronger when intensity of export performance is higher	$\beta = .10$ $t = .30$	$\beta = .11$ $t = .54$
H2: Outcome control of sales management in export sales units → export sales effectiveness.	Effect is stronger when intensity of export performance is lower	$\beta = .25$ $t = 1.35$	$\beta = .10$ $t = .91$
H3: Reward and compensation schemes of salespeople within export units → export sales effectiveness.	Effect is stronger when intensity of export performance is lower	$\beta = .31$ $t = 1.65$	$\beta = .26$ $t = 2.33^{**}$
H4: Sales territory design satisfaction in export units → export sales effectiveness.	Effect is stronger when intensity of export performance is lower	$\beta = .40$ $t = 2.26^{**}$	$\beta = .26$ $t = 2.39^{**}$
H5: Firm size → export sales effectiveness.	Effect is stronger when intensity of export performance is higher	$\beta = .17$ $t = .90$	$\beta = .23$ $t = 2.06^{**}$
H6: Export orientation of sales strategy → export sales effectiveness.	Effect is stronger when intensity of export performance is lower	$\beta = .23$ $t = 1.20$	$\beta = .030$ $t = .26$
H7: Sales management's experience in exports → export sales effectiveness.	Effect is stronger when intensity of export performance is higher	$\beta = .098$ $t = 0.30$	$\beta = .108$ $t = .54$

Notes: ** Significant at $p < 0.05$, * Significant at $p < 0.10$

The results indicate the influence of behaviour control and outcome control of sales management on export sales effectiveness is unrelated to the level of export performance within firms. Moreover, the influence of reward and compensation schemes for salespeople and sales territory design satisfaction with export sales effectiveness is significant ($p < 0.05$) higher when the intensity of export performance is lower. On the contrary, the influence of firm size on export sales effectiveness is significantly higher when the intensity of export performance is higher. Finally, it has been found that the influence of export orientation of sales strategy and sales management experience in exports on export sales effectiveness is unrelated to the intensity of export performance within firms.

6.10 Qualitative analysis of open-ended question

Key informants had the possibility to provide their perception of the factors that may consider as important in export sales effectiveness, through the open-ended question within the research instrument used (questionnaires). The researcher has categorized research findings so as to be able to extract descriptive statistics. The main categories are illustrated below

Table 6.47 Main factor categories identified in qualitative research

BC	BEHAVIOUR-BASED CONTROL
OC	OUTCOME-BASED CONTROL
MK	MARKETING
RC	REWARDS AND COMPENSATION SCHEMES
FS	FIRM SIZE
TD	TERRITORY DESIGN
ME	MANAGEMENT EXPERIENCE
SO	STRATEGY ORIENTATION
CU	CULTURE
CM	COMPETITION
FN	FINANCING

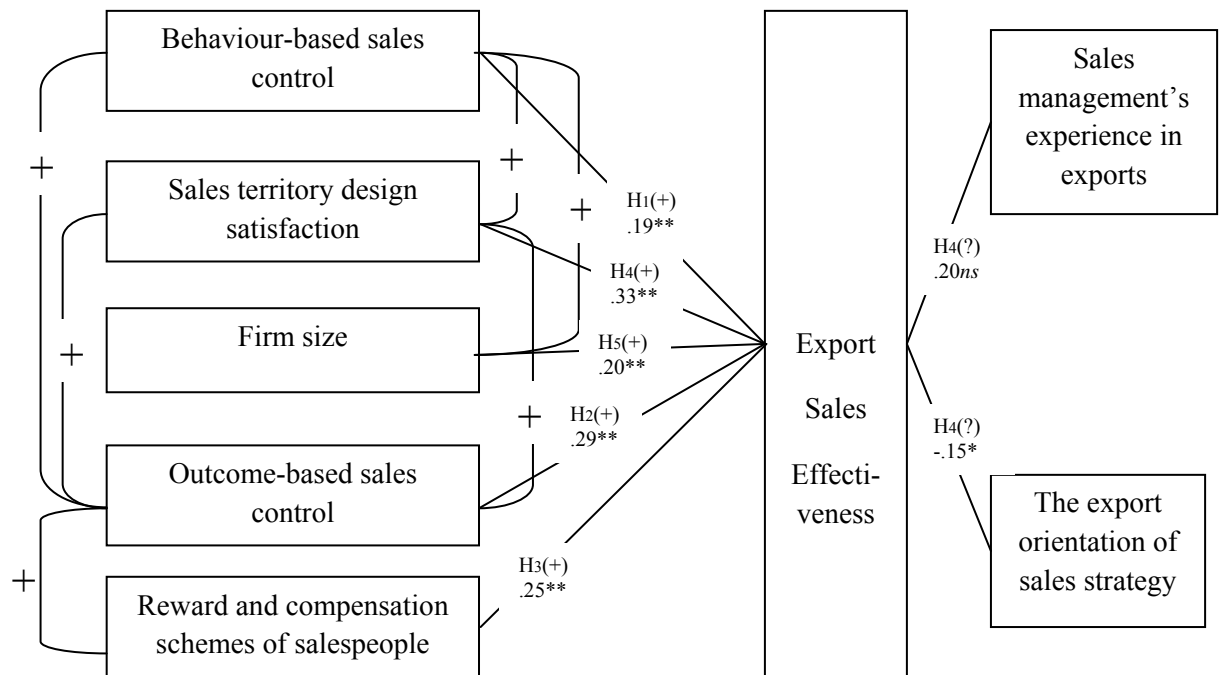
Descriptive analysis has revealed that 50% of the perceived factors fall within the behaviour-based sales control category (Appendix C1.7). The second biggest factor category identified was marketing issues (product pricing, product quality, marketing, customer service) accounting 25% of the overall responses. All the rest factor categories had very low rates between 0.77% and 6.92%. It is impressive to mention that only 3.85% had mentioned factors that are outcome-based sales control oriented. Among the popular factor categories were rewards and compensation (6.95%) and strategic orientation towards exports (6.15%). The low response rates were found in factors that concern culture (0.77%) and management experience (0.77%). Qualitative analysis shows that behaviour-based sales control is of great importance and play a dominant and crucial role in export sales effectiveness. However, a controversy with previous statistical analysis exists regarding the importance of outcome-based sales control in export effectiveness.

6.11 Main Research Findings

Summarizing the research findings above, most research hypotheses have been supported. Figure 6.12 illustrates the positive relationships found among SFE factors and their contribution to export sales effectiveness. Regression analysis supports that behaviour-based control of sales management, outcome-based control of sales management, rewards and compensation schemes for salespeople; sales territory design satisfaction and firm size are significantly related to export sales effectiveness. Unlike

pilot study findings, in the main research, no support is provided for the relationship between (1) export orientation of sales strategy, and (2) sales management experience in exports and export sales effectiveness.

Figure 6.12 Formal Conceptual Framework



Note. ** $p < .01$; * $p < .05$; n.s. = non-significant, $p > .10$. Standardized coefficients are shown.

However, multiple discriminant analysis identifies moderate differences between high- and low-performing export firms regarding the export orientation of sales strategy. On the contrary, support is provided to the outcome-based control of sales management, sales territory design satisfaction and firm size having moderate or significant differences between high- and low-performing export firms. As far as the intensity of export performance in concern, moderation analysis has revealed that the effect of reward and compensation schemes for salespeople and sales territory design satisfaction with export sales effectiveness is significant ($p < 0.05$) higher when the intensity of export performance is lower. It indicates that low-performing export firms benefit more, compared to high-performing export firms, from well-designed reward and compensation schemes for salespeople and when the sales territory design satisfaction of salespeople is high. Moreover, firm size on export sales effectiveness is significantly higher when the intensity of export performance is higher. This argument comes with a suggestion that firm size affects more regarding the export sales effectiveness of high-performing export firms compared to low-performing ones.

Chapter 7: Conclusions

7.1 Introduction

The purpose of this chapter is to provide an answer to the research question posed in Chapter 3 by the cross-evaluation of the research findings with the published literature. The main research question of the study was:

“In Greek export sales units, is there a relationship between outcome and behaviour control of sales management, reward and compensation schemes for salespeople, sales territory design satisfaction, firm size, export orientation of sales strategy, sales management experience in export sales units and export sales effectiveness?”

Taking into consideration the main research objectives that were addressed along with the main research question, a comparison of study findings is presented along with previous empirical research studies. Moreover, the contribution of study findings to both the academic and the business community is discussed in conjunction with the limitations that this research has encountered. Finally, suggestions are provided for further research as well as the implications and the challenges that this research poses to academics and practitioners.

7.2 Research Objective 1: To investigate the role of behaviour-based sales control into export sales effectiveness

Empirical findings of the underpinned pilot and main research confirm the significant positive relationship between behaviour-based sales control and export sales effectiveness within the Greek exporters' context on the grounds of the existing literature (Katsikea *et al.*, 2014; Baldauf *et al.*, 2001; Samaraweera and Gelb, 2015). Moreover, a significant difference between high- and low-performing export firms is identified, suggesting that high-performing export firms utilize to a greater extent behavioural attributes of sales management control with emphasis on the knowledge of the applications and functions of company products and services. This finding confirms the significant differences that have been found between high- and low-performing sales units in previous studies (Grant and Cravens, 1999; Katsikea and Skarmas, 2003). An important association between behaviour- and outcome-based sales control is also identified in the correlation analysis for both the overall group, but also for high- and

low- performing export sales units. The revealed association is compatible with existing literature suggesting that behaviour sales control is positively related to outcome sales control (Cravens *et al.*, 1993; Piercy *et al.*, 1998, Cravens and Morgan, 1999; Baldauf *et al.*, 2001; Baldauf *et al.*, 2002; Katsikea and Skarmeas, 2003; Theodosiou and Katsikea, 2007; Samaraweera and Gelb, 2015). Therefore, it can be derived that the behaviour-based sales control is positively related to export sales effectiveness and high-performing export firms make a higher use of behaviour control attributes in their sales management control system.

7.3 Research Objective 2: To evaluate the effect of outcome-based sales control on export sales effectiveness

The importance of outcome-based sales control in export sales effectiveness is identified in the pilot study. Research findings of the main study have endorsed the suggested positive relationship between outcome-based sales control and export sales effectiveness that has been illustrated in previous empirical studies (Babakus *et al.*, 1996; Piercy *et al.*, 1999; Samaraweera and Gelb, 2015). Similarly, the literature suggests a positive relationship between outcome and behaviour sales control (Cravens *et al.*, 1993; Baldauf *et al.*, 2001; Samaraweera and Gelb, 2015). This relationship is identified and confirmed by this research as well in the presented correlation analysis. Furthermore, the study reveals that sales territory design satisfaction is positively related to outcome-based sales control, verifying the suggestion that proper design causes better sales outcomes (Babakus *et al.*, 1996). The most important study finding is that outcome-based sales control seems to differ significantly between high- and low-performing export sales units ($p < 0.05$), indicating that high-performing export sales units make greater use of outcome-based sales control attributes. Moreover, moderation analysis reveals dispersed significance of the effect of outcome-based sales control in the export performance of low-performing export sales units. Summarizing all of the above, the effect of outcome-based sales control in export sales effectiveness is positively related, and it seems to be deployed to a greater extent by high-performing export sales units although the effect is strong in low-performing export sales units.

7.4 Research Objective 3: To assess the relationship between reward and compensation schemes for salespeople and export sales effectiveness

Reward and compensation schemes for salespeople are found to be positively related to export sales effectiveness (Cravens *et al.*, 1993). This relationship is proven in this research, both in the pilot study and in the correlation analysis of the main research. However, no significant differences are found between high- and low-performing export sales units about reward and compensation schemes by using multiple discriminant analysis. Correlation analysis reveals an important positive association between reward and compensation schemes and behaviour-based sales control. Moreover, the study discloses a positive relationship between reward and compensation schemes and outcome-based sales control for high-performing export sales units. It implies that high-performing export sales units make better use of reward and compensation schemes, confirming the argument of Bulent and Barker (2003) that the higher the compensation salespeople receive, the better their contribution to sales volume. But, the effect of reward and compensation schemes for salespeople on export sales effectiveness is significant ($p < 0.05$) higher when the intensity of export performance is lower, suggesting that low-performing export sales units benefit more from a well-structured reward and compensation scheme in their performance, against high-performing sales units. Therefore, it can be outlined that reward and compensation schemes are significantly positively related to export sales effectiveness, the management of high- performing sales units utilize to a greater extent this managerial attribute but the effect on export performance is higher in low-performing sales units.

7.5 Research Objective 4: To determine the relationship between sales territory design satisfaction and export sales effectiveness

Managers classified sales territory design satisfaction as a very significant factor in export sales effectiveness (pilot study). Similarly, the relationship between sales territory design satisfaction of export sales units and export sales effectiveness is found to be significantly positive. Thus, it clearly supports the existing literature (Babakus *et al.*, 1996; Grant and Cravens, 1999; Piercy *et al.*, 1999; Piercy *et al.*, 2004). Multiple discriminant analysis of the study shows moderate (extreme polar technique) and

significant (cut point technique) differences between high- and low-performing export sales units, providing evidence that highly effective export firms are more likely to focus more on territory designs (Baldauf and Cravens, 1999; Katsikea and Skarmas, 2003). Moderation analysis of this research offers an additional insight, suggesting that the influence of sales territory design satisfaction on export sales effectiveness is significant ($p < 0.05$) higher when the intensity of export performance is lower. This argument entails that lower-performing firms benefit more compared to high ones regarding sales territory design. Correlation analysis illustrates the significant relationship that exists between sales territory design satisfaction and behaviour-based sales control, confirming previous research findings (Piercy *et al.*, 1998). Apart from this, the study identifies an important positive relationship between sales territory design satisfaction and outcome-based control, implying that outcome-based control systems offer sophisticated management structures that can assist in sales territory design implementation. As a result, sales territory design satisfaction of export sales units positively affects export sales effectiveness. High- performing export firms make use of proper sales territory designs to a greater extent, the effect of proper sales territory designs is higher in low-performing export sales units, and there is a strong relationship between sales territory design satisfaction and (1) behaviour-based, and (2) outcome-based sales control.

7.6 Research Objective 5: To evaluate the role of firm size in export sales effectiveness

Existing literature underpins the significant positive role of the size of the firm in export sales effectiveness (Arthur *et al.*, 2000; Wagner, 2001; Katsikea and Morgan, 2003; Adu-Gyamfi and Korneliussen, 2013; Hwang *et al.*, 2015). The undertaken research provides further support to this argument both in the pilot and main research phase. This research goes further and identifies that there is a moderate difference between high- and low- performing export sales units (cut point technique – multiple discriminant analysis), suggesting that high-performing firms are bigger in size compared to low-performing firms. Additionally, moderation analysis shows that the effect of firm size is stronger when the intensity of export performance is higher. It implies that high-performing export firms get more dividends in export performance when their size is

bigger compared to others. The study also reveals a strong positive correlation between firm size and behaviour-based; and firm size and outcome-based sales control, proposing that both systems contribute to the augmentation of firm size. Concluding all of the above, the firm size is positively associated not only to export sales effectiveness, but also to (1) behaviour-based, and (2) outcome-based sales control. High-performing firms are bigger in size compared to low ones, and the effect of firm size on export performance is accumulated where high-performing firms are getting greater export performance if their size is bigger compared to other ones.

7.7 Research Objective 6: To appraise the effect of the export orientation of sales strategy in export sales effectiveness

Concerning the export orientation of sales strategy, pilot study findings revealed the significance of this element in export performance relying on sales managers' perceptions. However, no significant positive correlation of this element with export sales effectiveness is identified in the main study. Despite the literature evidence suggesting the positive role of export orientation of sales strategy in export sales effectiveness, it is not supported in the main study (Kwon and Hu 2000; Rose and Shoham, 2002; Akyol and Akehurst 2003; Beaujanot *et al.*, 2006, Murray *et al.*, 2007; Acikdilli, 2015; Moral-Pajares *et al.*, 2015; Diamantopoulos *et al.*, 2015). Even on the empirical suggestion that the level of the firm's export entrepreneurship depends on the management's export commitment (Navarro-García, 2016), both multiple discriminant analysis techniques reveal moderate differences in export orientation of sales strategy between high- and low-performing export sales units. Export orientation of sales strategy is found to be moderately negatively related to sales territory design satisfaction, providing evidence that export managers seem to be dissatisfied with sales strategies that are not export-oriented. Negative correlation is found, but with no significance, despite the impact of the export orientation of sales strategy in export sales effectiveness is not identified. It provides additional support for the latest study indicating that the level of internationalization is not positively related to export performance (Cadogan *et al.*, 2009; Adu-Gyamfi and Korneliussen, 2013; Moral-Pajares *et al.*, 2015). Despite the fact that high-performing export sales units utilize

more export-oriented sales strategies, no significant positive correlation is found between the export orientation of sales strategy and export sales effectiveness.

7.8 Research Objective 7: To evaluate the contribution of sales management experience in export sales effectiveness

Regarding sales management experience in export sales effectiveness, no significant contribution is found despite pilot study findings that reveal a strong perception of sales managers for this contribution. Furthermore, existing literature (Christensen and Da Rocha, 1994; Ibeh, 2004; Lages *et al.*, 2008) provides support for the positive association between sales management experience and export sales effectiveness, but no evidence is found in this study. No major significant differences are found between high- and low-performing export sales units, regarding sales management experience over exports ($p > 0.10$). Although a recent study in Poland had revealed that export performance is increasing at low and high levels decreasing at low-moderate levels of experience (Cieslik *et al.*, 2015). Moderation analysis reports no significant effect of sales management experience over exports related to the intensity of export performance within firms, confirming recent study findings of the complexity of a three-way effect between export performance and the role of international experience (Hultman *et al.*, 2011). Similarly, it confirms the results of a recent study report that the limited positive influence of previous direct firm's experience on exports, which at some time become less relevant or even negative to sales performance (Diez-Vial and Fernandez-Olmos, 2014). However, correlation analysis identifies a significant association between sales management experience over exports and (1) behaviour-based, and (2) outcome-based sales control, implying that sales management experience is interrelated to both sales control systems. Therefore, the level of the contribution of sales management experience in export sales effectiveness is found to be not significant.

7.10 Outcomes of research objectives and formal theory adjustment

On the ground of the assumptions of the research objectives above, the formal theory has been tested in the main research. Research findings indicate a significant role of 5 out of 7 factors that affect export sales effectiveness: (1) behaviour-based sales control; (2) outcome-based sales control; (3) reward and compensation schemes for salespeople; (4) sales territory design; (5) firm size. Neither export orientation sales strategy nor management experience in exports is found to contribute significantly to export sales effectiveness. For the reasons above, the conceptual, theoretical framework needs adjustment and impairment of the two non-significant factors. However, it is imperative to mention that research findings are engaged in the particular context of the underpinned research; therefore, no further generalizations can be suggested.

7.11 Research contribution to the academia

The contribution of the undertaken research to the academia stands on two research pillars: the confirmatory findings that support the existing literature and the discovery of new facts – findings that provide new insights into the research area. Before focusing on these pillars, it is essential to mention that there are a small number of export research studies that examine the organizational effects on exporting, the managerial effects of exporting and the overall export strategy. It mainly relies on the fact that export current research focuses on marketing attributes of exporting such as export distribution, logistics, advertising, promotion, pricing, and financing. Therefore, the contribution of this research is to decrease the above diminishing trend and provide motivation for further research as research finding are still controversial.

Concerning confirmatory findings, it can be clearly argued that this research generated a set of findings that provide additional evidence to existing empirical research findings. The positive role of behaviour-based sales control in export sales effectiveness has been confirmed. The important differences of behaviour-based sales control between high- and low-performing export sales units, where high-performing export sales units make higher use of behaviour-based sales control.

Furthermore, this research corroborates the significant association between behaviour- and outcome-based sales controls in export sales units. It also certifies the positive relationship between outcome-based sales control and export sales effectiveness. The positive relationship between outcome-based sales control and sales territory design satisfaction is also identified along with the positive contribution of reward and compensation schemes in export sales effectiveness.

Moreover, the study supports the positive role of sales territory design satisfaction in export sales effectiveness, and it also denotes the important differences of sales territory design satisfaction between high- and low-performing export sales units. In addition to this, the significant relationship that exists between sales territory design satisfaction and behaviour-based sales control is indicated. Finally, the positive effect of firm size on export sales effectiveness and the negative relationship of sales management experience in export sales effectiveness have been suggested.

Concerning the discovery of new facts, this research has enriched existing academic knowledge by providing a set of new empirical findings. In particular, it seems that high- performing export sales units make higher use of outcome-based sales control attributes compared to low-performing ones implying that outcome-based sales control systems can result in higher export performance. This research also identified the important positive association between reward and compensation schemes for salespeople and behaviour-based sales control, providing assumptions that behaviour-based management styles rely more on reward and compensation schemes compared to outcome-based management styles. But the research has also found evidence of the positive relationship between reward and compensation schemes and outcome-based sales control for high-performing export sales units. This finding suggests that the higher the positive relationship between reward and compensation schemes and outcome-based sales control in a firm, the higher the firm's export performance would be.

Additionally, study outcomes support that the effect of reward and compensation schemes for salespeople on export sales effectiveness is significant ($p < 0.05$) higher when the intensity of export performance is lower. It entails that the effect of reward and compensation schemes for salespeople on export sales effectiveness does not contribute equally to all levels of export performance. Similarly, the influence of sales territory design satisfaction on export sales effectiveness is significant ($p < 0.05$) higher

when the intensity of export performance is lower, providing further evidence that sales territory design satisfaction plays a crucial role in low-performing export sales units.

Furthermore, research findings indicate the significant positive relationship between sales territory design satisfaction and outcome-based control, arguing the fact that both sales force effectiveness factors are process oriented.

Referring to firm size and export sales effectiveness, a moderate difference between high- and low- performing export sales units has been discovered. It seems that the effect of firm size is stronger when the intensity of export performance is higher, implying that large firms benefit more from the export performance. Also, a strong positive correlation between firm size and (1) behaviour-based, (2) outcome-based sales control has been identified.

Finally, no significant relationship has been found between the export orientation of sales strategy and export sales effectiveness, despite previous research findings (Christensen and Da Rocha, 1994; Ibeh, 2004; Lages *et al.*, 2008).

7.12 Research contribution to applied business

The research contribution to the applied business relies on the research findings that may provide some guidance to practitioners to sustain or even evolve the export performance of their firms. In particular, the proposed research framework as supported by research findings has identified five (5) distinctive factors that affect export performance (1) behaviour-based sales control; (2) outcome-based sales control; (3) reward and compensation schemes; (4) sales territory design, and (5) firm size. By this empirical investigation, sales managers that can employ effective both outcome- and behaviour-based sales control systems, create well-structured reward and compensation schemes and implement well-designed export sales territories can increase their firm's export performance. As firm size plays a crucial role in export sales effectiveness, sales managers working in larger firms may expect a more efficient export performance of the mentioned managerial activities. Moreover, insufficient managerial activities as mentioned above may lead to lower export performance.

Concerning low-performing export sales units, sales managers should pay attention to the role of reward and compensation schemes and sales territory design as it seems that their effect on export performance is significantly stronger for low-performing export sales units. It means that export sales managers working in low-performing sales units should focus first on a well-structured reward and compensation scheme for their salespeople and well-designed export sales territories so as to obtain better export results. On the contrary, export sales managers of high-performing export sales units should pay attention to the size of the firm and try to elaborate the core business, as it seems that their activities are sophisticated enough to achieve high levels of export performance. But, if firm size is not big enough, it could create several obstacles to the continued involvement of firm's export performance. Another raised issue comes into consideration concerns the relation of firm size and sales control. Findings indicate that the larger a firm is, the greater the behaviour and outcome sales control is implemented within its management system. It signifies the importance of the behaviour and outcome sales control in export performance. Therefore, export sales managers should reconsider their sales control efficiency within their sales units in case the sales performance is low. Therefore, sales control of sales units should frequently be re-evaluated in relation to export performance. Finally, export sales management experience in exports seems to be unrelated to the export sales effectiveness, providing room for further discussion whether salespeople and managers with export – international experience can boost export performance within firms.

7.13 Research triangulation

Taking into consideration the ontological assumptions of the underpinned research which rely on critical realism, the use of triangulation from many sources is imperative as suggested by several authors (Yin, 2009; Easterby-Smith *et al.*, 2012). On the grounds of Denzin's (2006) four basic types of triangulation, data and methodological triangulation were achieved. Data triangulation was achieved by gathering data (questionnaires) from different focus groups (export sales managers and export salespeople) in the main study. Triangulation was also attained during the pilot phase by gathering data through in-depth interviews with export sales managers and cross-checking the gathered information with academics, existing literature and qualitative

analysis of export salespersons' questionnaires. Secondary data of empirical studies performed in other countries have been used to triangulate the study's research findings. Finally, methodological triangulation was obtained through the use of several research methods (qualitative and quantitative analysis) including in-depth interviewing, questionnaires, and discussions with academics.

7.14 Research limitations and future research implications

Several research limitations exist within this research. Taking into consideration the national context of this research (i.e. Greece), the findings are caged within its context. Therefore, it is imperative that future research in this academic field pursues replication studies in other national contexts so as to assess the external validity of the research findings to the applied business in general. As the nature of this research design is cross-sectional, no claims can be made regarding the cause and effect of the tested relationships. Further longitudinal data should be examined during this research which was not feasible for several reasons, so as to obtain this. Therefore, researchers are encouraged to explore further this direction by using causal research designs.

Another limitation has to do with the perceptual measurement of export performance. Like other similar studies, export performance has relied on sales managers' and salespeople perceptions. Therefore, it is strongly recommended that the researcher makes both uses of objective and perceptual constructs in obtaining export performance. A significant barrier to this research lies in the fact that the theoretical perceptual framework relied mainly on internal factors that may affect export effectiveness. Due to the complexity of the business environment, further research should be done by taking into account external factors that affect export effectiveness, such as competitive rivalry, country barriers and cultural aspects of international selling.

Apart from the external factors, there should be further examination of the marketing influence on export performance as suggested by academics (Aali *et al.*, 2013) and further identified in the qualitative analysis of the underpinned research (25% of key informants reported marketing as a factor influencing export sales effectiveness).

Moreover, the invasion of technology within SFCS and its evolution has not been examined in this research. Research studies suggest a controversial role in IT

(information technology) in firms' performance; positive impact has been identified in some studies (Kuruzovich, 2013; Krishnan *et al.*, 2014; Moral-Pajares *et al.*, 2015) implying that effective CRM systems and online B2B sales transactions could increase further exports performance. On the contrary, no significant association has been discovered between IT capability and firm performance in other studies (Chae *et al.*, 2014). The role of IT on outcome performance has been studied by Román and Rodríguez (2015) identifying that technology use increases performance only for sales force with high self-efficacy. Therefore, further investigation is encouraged in this field within an export performance context.

Furthermore, the relatively small sample size meant that it was not possible to perform more advanced statistical analysis, such as three-way interaction among constructs. A confirmatory empirical study should be replicated to explain the lack of a positive relationship between export-oriented sales strategy and export sales effectiveness. Research findings are opposite to the literature (Kwon and Hu 2000; Rose and Shoham, 2002; Akyol and Akehurst 2003; Beaujano *et al.*, 2006, Murray *et al.*, 2007). Finally, the role of firm size should be further examined in relation to export effectiveness and other sales force effectiveness factors as it seems that this research generated important findings that need to be cross-checked further.

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